

# CONTEMPORARY ISSUES

## 4

VOL. I

**AUTUMN 1949**

**Interim Balance Sheet:  
The Bankruptcy of Power Politics**

Ernst Zander

**Letter to Einstein**

**'Post-War Freedom'**

C. P. Mayhew

**Thomas Mann's Eckermann:  
Rejoinder to Prof. Marck**

Frank Martel

**German Resistance To-day:**

Comment

Occupation Unaltered

Other Election and Political Statements

Licensed Democracy

Press Response

Correspondence from England and Germany

Developments in the Case of Pastor Knees

J. H. von Ostau

**Tucker Indicted**

Harry Marlowe

2/-

Printed in England

40 cent

## PRESS COMMENT AND READERS' OPINIONS

The third issue of this democratically-minded British and American review contains articles, some of which are dreadfully indigestible, on racialism in South Africa, Whitehead's philosophy, the American motor industry, soil erosion, and current resistance to the occupation forces in Germany. This last is particularly interesting.

*Peace News*, 10th June, 1949.

David Kemp's well-documented 'South Africa's Trek from Progress' distinguishes CONTEMPORARY ISSUES, Spring (Contemporary Press, 2s.). Of vital interest to those concerned with democratizing Germany are contributions from Dr. Strasser and Pastor Knees. Fairly, C. P. Mayhew's comment on the latter is also included, and articles on Whitehead, the U.S. Auto Industry and Humanity's Resources and the New Malthusianism complete 88 pages of solid reading.

*Un-Common Sense*, July, 1949.

*Somerset*, 21st July, 1949.

... You were kind enough to send me a copy of CONTEMPORARY ISSUES recently, but I found it rather heavy going. I enjoyed the article about a new car invented in America, which the inventor was unable to put on the market owing to the manufacturers' ring. One such article, with some lighter articles would be better, I feel, particularly if you could have some light satire, on the lines of 'The Good Soldier Schweik'. Satire does a lot to get things altered.

Wishing you well in your efforts,

Yours sincerely,

LAURENCE DEVANEY.

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## CONTEMPORARY ISSUES

Back numbers, obtainable from bookshops or direct from the publishers, 10 Blomfield Court, London, W.9, and 545 Fifth Avenue, New York 17, contain amongst others, the following articles:—

British Development and the Common Illusion (No. 2).

Aspects of American Militarism (No. 1).

South Africa's Trek from Progress (No. 3).

Humanity's Resources and the New Malthusianism (No. 3).

Outline for a Critical Approach to T. S. Eliot as Critic (No. 2).

Readers are invited to send in comment and criticisms, articles, reports, newspaper extracts, etc., and should indicate whether they wish articles or letters to appear over initials, pseudonyms or full names.







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## EDITORIAL

WITH the appearance of this number of CONTEMPORARY ISSUES we complete our first volume, and apologise to our readers for having been only approximately a quarterly. Whilst response to our publication has been slow it has been steady, and we are now in a much better position (having accumulated many interesting articles and other material) to appear more regularly.

It is apparent from our present number that there begins to be a narrowing of the gap between political theory and political practice which, however small, is none the less significant. We shall have to court the risk of being dubbed repetitive, for to indicate the growing conformity between theory and practice we have necessarily to re-state our theoretical foundations. In our initial editorial we wrote:

'The aim consists in the creation of a world organization for a democracy of content (sharply differentiated from hitherto existing purely political or formal democracy) which is not to appear as a finished organization, but to arise under public control. Public control will exist only where every participant has unimpaired possibility to take the individual democrat at his word.'

Such a statement naturally embraces a large content, most of which still has to be transformed into easily grasped, clear and distinct ideas, through further social engagement radiating from it; nor can we do more at the moment than pin-point a few of its practical outcomes. One such point of departure for public control has been the simple individual act of interrogating 'officials' and 'bodies' *in the interests of responsible accounting to the public*. Illuminating examples of this are the correspondence we publish between one of our readers and Mayhew, the letter to Einstein, as also the developments in the case of Pastor Adalbert Knees. In this process it is merely necessary for each individual to begin in order to contribute to the steady growth of a public determined to be vocal on matters concerning itself, exercising control to that extent.

Immediately bound up with, and arising out of, such responsible individual behaviour, is a further relation between theory and practice. The

letter from Mayhew is a concrete instance of the breach between the pronouncements, promises, etc., of those who willingly undertake to represent the public, and their actions.

As we stated, existing society is only 'formally' democratic but 'actually' estranged from its proper democratic content. We notice that Mayhew, in his reply, simply omits the question of censorship which, after all, is the proper social content and the point at issue. What in society is violated in practice is always screened by irrelevancies, good intentions, erroneous claims, etc. Our statement on the German election (page 306) analyses it and the constitution from the point of view of the cleavage between avowed aims and practice.

Another thing begins to be clear in the slight development of our views. Increasingly our German section is eliciting from readers, contacts, groups, etc., a diversity of participating opinion on controversial contemporary issues. Every reader has 'unimpaired possibility' for such participation. In fact it is only through multiple intervention from the public that these issues can find unprejudiced clarification for proper thought and action. We shall not realise fully the grave need for such a seemingly simple process until we recognize that society, as it is at present constituted, requires for its continuance the greatest confusion of everything controversial and vital, in which it is especially supported by the press. Both the *Spectator* and the *Manchester Guardian* contributed their quota of confusionism by labelling our German election leaflet 'Nazi' whereas it is exactly the opposite—being a consistent democratic statement. In his article 'Interim Balance Sheet: the Bankruptcy of Power Politics' (page 252), Ernst Zander examines in some detail press subterfuge on matters that are a question of life and death to people. His article is an admirable example of how to read our newspapers properly. Their function, too often, is nothing short of gross miseducation of opinion.

It is hoped that the few points so far at which theory and practice touch in our present issue, will lead to some understanding of how to begin (at least) to initiate a movement 'for a democracy of content'. In our next number the question of how to 'organize' such a movement is gone into in outline in our leading article, 'America and the Great Utopia'.

Ernst Zander

## INTERIM BALANCE SHEET

### The Bankruptcy of Power Politics

MORE than two years ago<sup>1</sup> to the question at that time much discussed as to whether the Allies had a 'definite' policy and whether they would be forced to allow German industry after its demolition 'a certain amount of leeway' once more, we responded with the following comment in these pages:

Obviously, the Allied policy is complex and, in very consequence of the oppositions of interest within the individual bourgeoisies and among the victors, is not 'fixed' but liable to experiments, modifications, fluctuations, retreats, opportunistic turns, etc. Decisive, however, is the eagerly overlooked circumstance that, with regard to the certain amount of leeway, just a... 'certain' amount of leeway is involved. No Allied statesman has yet made a proposal which goes further—thus, the decision remains to keep Germany depressed as a great industrial competitor. More important than subsequently appearing recipes is the world-historical fact that the Baruch-Morgenthau Plan could have been proposed at all, be accepted by Roosevelt and translated into practice by the Allies. The basic tendency in question (which compels towards industrial annihilation) thereby prevailed universally and *will now continue to operate overriding all unavoidable quack remedies*. What the nature of the remedy for the Potsdam Agreement will be, is best illuminated by the 'arguments' for the 'certain' amount of leeway. Germany is to be rendered capable of feeding herself... the patient is not to be killed immediately but is to be placed on 'controlled' rations. This is, in practice, simply the attempt to *stabilise* the mass misery at a certain extremely low level.<sup>2</sup>

Concerning the relation between Russia and America, it was said in the same article:

The secret of the situation, as of America's weakness, consists in Russia having become her most reliable and indispensable policeman in Europe and Asia. It is predominantly from this that Russia derives her 'astounding' strength in the haggling with the other Powers—no other country can be entrusted with the ruthless police function once the Stalin regime collapses.

\*     \*     \*

These—one might say—'Theses' had scarcely been printed when the American Secretary of State Marshall, on the 5th June, 1947, presented to

<sup>1</sup> 'More than two years ago' refers to the first publication of Ernst Zander's article 'Concerning Germany and World Development' in *Dinge der Zeit*. See next footnote.

<sup>2</sup> See CONTEMPORARY ISSUES, Vol. 1, No. 1: 'Concerning Germany and World Development', Note 10.

Europe that 'offer of aid' which subsequently became practical politics under the name of 'Marshall Plan'. At the same time, there arose a war clamour which ever since has followed the so-called Marshall Plan like a dog whose dreadful yelpings faithfully reflect the character of his master. Consequently our theses had been 'proved' absurd for all those who thought along liberal, democratic, rational, progressive and realistic lines, and who were full of faith in the goodwill of America.

What can one do with people who, in the spirit of trying to heal cancer with adhesive tape, were more eager than before to overlook the fact that the Marshall Plan at best only poses the question of the extent of the 'certain amount of leeway' and of the conditions under which it will be granted by America? In consideration of the future of the capitalist system in general it is not at all important whether, here and there, an upswing or an 'alleviation' can still be achieved, or whether individual countries, as, e.g. America, can for a longer period maintain their favourable position. Even the man with the fatal cancer does not feel equally miserable every day, yet as long as he avoids a radical cure, he will, for each attempt at temporary alleviation, have to pay with redoubled suffering. Capitalism is a world system, and the basis for serious progressive politics is the fundamental realisation that it *as a whole*, is no longer capable of an ascending development. If it succeeds in advancing in one direction, it is bound to contract in two other directions; and the amazing thing is that it is just the 'Progressives' who welcome this process, although it is they who howl more loudly than everyone else about the consequent painful shrinkages.

In consequence, for the time being, one could only counter the overflowing enthusiasm about the 'Victory of Reason', by stating: The Marshall Plan and the London negotiations offer nothing new—this idyllic music of the future is but a variation of the old theme. Experience will demonstrate that, *fundamentally*, nothing has changed.

And as far as the war clamour, or the Russian-American conflict, were concerned, it was necessary to reiterate: It is deliberately overlooked that the conflict is simultaneously determined by a common interest. And it is this common interest which—not excluding the possibility of an undesired explosion—makes the military collision of the opponents in the near future improbable.<sup>2</sup>

\* \* \*

This too had hardly been printed when the first disappointment already arose: a long list of dismantlings for Germany expressly approved and defended by Marshall. The farce that followed the announcement of this list, compounded as it was of indignation, exhortation, renewed appeals to reason, commands to stop, investigations, revisions and so forth, naturally had not the slightest effect. It can best be disposed of with the dry observation: the dismantlings are continuing—often carried out more intensively the more senseless they are. Even sceptics had, *faute de mieux*, believed it necessary to come out in favour of the Marshall Plan but that just demonstrated how falsely the progressives had posed the problem when they

<sup>2</sup> See *Dinge der Zeit*, No. 2 (October, 1947): 'Um Kollektivschuld und Marshall-Plan'.

presented it in terms of 'for or against', thus only depriving themselves of freedom of movement. Our progressives have, in fact, lost all sense of proportion and reality, for the only reality they recognise is the policy of the most powerful government. They failed to realise that there had been occasions when every progressive party could have declared itself to be disinterested in government proposals couched in *this particular form*. Instead, they remain tied to the government's apron strings and beg after each disappointment once more for fairer weather, their pleadings interspersed with harsh words, or even 'threats'. A typical example of this continual collaboration and continual disappointment is Friedrich Stampfer who, in the *Neue Volkszeitung* (New York) of March 20th, 1948, complains pathetically once again because 'the last of the German clearance sales (10 million tons of scrap-iron) is being brought to America'. 'The whole scrap-iron plan,' he continues, 'is planned wastefulness in the interests of a small minority, and is a violation of the Marshall Plan.' The introductory complaint was even prettier:

'It has long been realised, theoretically, that it is sheer madness to tear down the economy of Germany if one's object is to rebuild the economy of Europe. Yet in practice the demolition of German economy continues. The agricultural surplus territories, the Saar and Upper Silesia have gone; and the extent to which the Ruhr coal will remain at the disposal of German economy is an open question. The axe rages in the forests, and dismantling in the factories. Nothing is left but an *immense heap of ruins*, and even from this, everything that can still be turned to account is now to be taken out and shipped abroad: the rusted, smashed, twisted iron. The scrap.

It is naturally not the case that the American steel industry has no other opportunities for providing itself with what it needs. But exceptionally favourable terms are obtained in the German clearance sales: reduced prices as never before.'

... The aggregate value of German exports in 1947 was 222 million dollars. Coal, timber and services accounted for 186 million dollars of this total, while manufactured articles accounted for 36 millions. *Germany cannot live by exporting raw materials, but only by exporting manufactured articles*, which contain the greatest possible amount of labour, power and technical knowledge.' [It may be noted: The 'planned-economy Socialist' builds the future entirely on the basis of the law of value! E.Z.]

But prettiest of all was the concluding lament:

'It is difficult to estimate how many billion dollars the Morgenthau policy has cost, and how many million people it has driven into the Russian camp. That its consequences have been devastating, few still doubt. And yet this new plan of depriving Germany of the last remnants of her raw materials bears an ominous resemblance to the notorious proposal to seal the coal-mines of the Ruhr and the Saar.

The authors of this plan assure us that they are acting in the interests of

<sup>4</sup> Socialist England is, by the way, prominently involved in the scrap-iron business, and has even dared to engage in a sort of unfair competition with America. On the 28th August, 1948, A.P. reported:

'It was disclosed by Government circles to-day that England and the U.S.A. were seeking an understanding over the price to be paid for the purchase of scrap-iron from Germany. The United States regard 26 dollars as adequate while England is prepared to offer up to 30 dollars in the hope of quicker deliveries. The American military commander, General Clay, is holding up allocations until a common price has been fixed. He will not allow the British to pay a higher price as this would induce the Germans to give the English offer priority.'

American economy, and they count on government support. But who is helping the German people to retain at least the ruins which the war left them? Who is protecting the rightful interests of German economy? The Atlantic Charter lays down that after the war *victor and vanquished shall have equal access to the sources of raw materials*, not that the victor is entitled to take away the last raw materials remaining to the vanquished. That is still a promise that can be kept, after all the others have long been broken.'

Herr Stampfer is sometimes a fairly adequate depicter of the symptoms of disease. In practical matters he even realises on occasions that, with regard to the supposedly renounced Morgenthau policy, nothing has changed *in principle*, but he never mentions the actual causes of the evil. That is the tragedy of modern progress: 30,000 (a few tens of thousands more or less makes no difference) literati, newspaper scribblers, scientists, trade union bosses, party hacks, etc., recommend a 'Plan' which, at the worst, would be carried out anyway without their kind 'consent', and which, in some mysterious way, always remains 'wastefulness in the interests of a small minority' of democratic or undemocratic pirates. Mr. Stampfer is very much mistaken when he imagines that the continued dismantlings, the destruction of German forests, the pillage of raw materials and whatever else causes him headaches are a 'violation of the Marshall Plan'. For those who do not go about wearing blinkers it is the 'Plan' itself—the Plan in its true meaning, as advocated personally by Mr. Marshall. Even mere silence in regard to such a plan would be enough to make the acting minority conscious of a dangerous isolation, and would cause them to be considerably more circumspect (it is, after all, only the so-called progressives who publicise it loudly), while resolute opposition and the formation of a really independent tendency with its own demands would soon alter the situation. The protests of progressives like Stampfer (and Stampfer stands for all of them) are bound to remain completely ineffectual, because they are without any inner moral justification. Nobody takes seriously opponents who, though they give their masters an odd growl every time they are kicked, never quit their service. Under these circumstances it is obvious that, as far as scrap-iron, deforestation and dismantling are concerned (to confine ourselves to these three matters about which Stampfer and kindred spirits have scribbled so many plaintive poor articles), the once adopted course is strictly adhered to and one constantly gets news to that effect. Three comments in the press may serve to round off harmoniously the picture of the blessings of the Marshall Plan.

On the question of scrap-iron, A.P. informs us from Frankfurt a.M. on the 2nd of October, 1948:

'Germans to-day were showing consternation at the news that England and the United States are hoping to get two million tons of scrap-iron from the Bizone within the next year.

"This arrangement is incredible," said a representative of the German Metal Corporation here. "I don't know where the two million tons of scrap, supposed to be available in the Bizone, are to come from. If the zones are deprived of a large quantity of scrap-iron, it will force us to get for our reconstruction expensive iron ores from other countries. In order to pay for these imports we need dollars which are very scarce."

In Berlin, Lawrence Wilkinson, economic adviser to General Lucius D. Clay, stated that the price for the scrap would be fixed by both Military Governors.

The United States have long complained that they are not receiving enough



scrap from Germany,<sup>5</sup> and that England [God bless "Socialism"! E.Z.] has removed a million tons of scrap from her zone in the last two years as "war booty", for which she has in consequence not paid. England has, however, been granted a further 75,000 tons of "booty" as a "final payment".

According to reliable German reports, the Russians have removed far more scrap from their zone than the other Occupation Powers. [We thereupon proceed to place garlands of moral plus-laurels on the heads of the "other" Occupation Powers! E.Z.] The scrap is being seized there by special committees as reparations.

*Die Welt* writes that this had been a great shock to the Germans in the Eastern Zone who had hoped that they would be given the means for implementing the two-year reconstruction plan, drawn up by the Communists.

According to estimates by the paper, the Russians have removed over 120,000 tons of scrap from their Occupation sector in Berlin alone since May, 1947. *Die Welt* further relates that the Soviet requested delivery of two million tons of scrap from Berlin and the five Länder of their zone in the middle of 1947. Of this Brandenburg was to supply 700,000 tons and agricultural Mecklenburg 50,000 tons. Three of the five Länder were unable to provide their full quota. Thereupon the special committees were established to carry out the confiscation.<sup>6</sup>

How splendidly identical are the methods of the Allies concerning the booty. Dismantling gives us the same picture, but since we are dealing with the Marshall Plan, and the English fanaticism about dismantling is as notorious as that of the Russians or the French, let us select a report which throws light only on the American aspects of this droll game. A special report to *The New York Times* (22nd November, 1948) from Frankfurt states:

'To-day's editions of the German newspapers front-paged prominently articles indicating that a directive had been issued by the United States Military Government for the acceleration of dismantling. Based on a release from the executive council of the bizonal German administration, they cited eight large plants in Bremen, Stuttgart, Munich, Nuremberg and Upper-Esslingen as affected.

A denial was promptly issued from Berlin, with the explanation that what was involved was merely a routine order for shipment of the factories already dismantled—with the exception of the Bremen plants where dismantling is 70 per cent. completed. This version was in turn challenged from the German side, especially Walter Schmidt, representing the economic group in the economic council. He said the plants in question were for the most part in operation within the last few days.'

The method of official denials, white-washings and false statements has already become characteristic of the attitude of the occupation authorities. It is also in evidence in the deforestation question. In connection with this, a certain W.K. provides us with a brief survey in the *New York Times* of January the 23rd, 1949, in which he bases himself on a report by Hans Huth of the Art Institute of Chicago. According to this report, 150,000 tons of timber are taken from Germany every month as reparations. Immediately upon this there follows a statement that in the American Zone deforestation 'has not approached the danger-point too closely'. This so to speak 'not-too-

<sup>5</sup> The A.P. report of August the 28th, quoted in the previous footnote, said the following about the deliveries up to the present: 'As an experiment, both countries have been allocated 240,000 tons each for the last [!] six months of the financial year. The quota for other Western European countries will make up 120,000 tons. Six ships have already arrived here (America) with German scrap. A seventh ship is at present unloading at Philadelphia. Another two are *en route*. The Carnegie Illinois Steel Corp., which is a member of the United States Steel Corp. combine, has bought a considerable quantity of scrap in Germany which is now being loaded.'



closely' jubilant state of affairs is, without giving figures or particulars, accredited to two main causes. On the one side, the Americans are people who have been taught the benefits of soil-conservation (this really is almost laughable!); on the other side they were clever enough to leave the administration of the forests almost entirely in the hands of the German forestry service.\* After America has passed this 'not-too-close' inspection splendidly, the report can become somewhat more explicit:

'According to Huth, the heaviest exploitation of forest areas is in the French Zone, though he is unable to give figures. The spirit in which forests are being destroyed was evident at last year's meeting of the British Federated Timber Association. On that occasion the head of the British Forest Commission maintained that German complaints about forest exploitation were unfounded so long as German forests could produce larger amounts of lumber than Britain. Great Britain had to cut three out of four trees during the war. Hence, it was argued, Germany must make equivalent sacrifices.

Last year Great Britain asked for 2,500,000 cubic meters of lumber. . . . What this ruthless destruction of German forests may mean in the long run is well brought out in a letter from a Swiss expert, whom Huth quotes:

"Deforestation, that is clear-cuttings in Germany, are taking threatening forms. The German climate is assuming steppe features (Versteppung). This danger ought to be taken seriously, not only in Germany itself but in all Europe. It is certain that as a consequence climatic changes will take place in Switzerland. Therefore it would be splendid if the Americans would succeed in stopping exploitations of forests on an industrial basis."

In the *Forestry Journal*, which speaks for American interests, essentially the same conclusion was reached:

"There are many countries that view an excessive depletion of Germany's wood resources with grave anxiety, as upsetting the whole economic structure and balance of Europe and as mortgaging the future with a problem it will take at least a hundred years to readjust."

And the moral of the story? The internal conflicts of interest within the individual bourgeoisies and between those of the different countries change the details of the picture here and there, in one direction or another. They allow now the one, now the other party to appear as the intransigent or 'reasonable' one. In the final result they confirm the basic thesis that the capitalist system in its totality is to-day compelled to take back with two hands doubly-filled what it gave with one.

A cursory glance at the events which followed the announcement of the Marshall Plan will make this even clearer. These events form a ball not a single strand of which can be pulled without bringing all the rest (including the red thread of dismantling) into a specific motion. The main strands are called currency reform (which touched off the Berlin blockade and brought the clamour about the war to a climax), handing over of China to the Russians, Ruhr Statute, and first signs of a serious disturbance affecting America also.

To write at greater length about the blockade and about the war danger's

\* The following A.P. report of the 5th February, 1949, is suitable evidence of such supreme wisdom:

'As a protest against the U.S.-Occupation Authorities' plan to relax the hunting laws in Bavaria, Freiherr Wolfgang von Beck, head of the authority for Hunting and Fishing in the Bavarian Government, has resigned. He stated that the ordinances envisaged would destroy the wild life of the country within 14 days.'

becoming daily 'more imminent' seems nonsensical in view of the universal waste of printer's ink on these points. Whoever makes a survey of the tragic-comedy of the war-fever and the blockade will, at all events, observe that during the 'Berlin Crisis' the contending parties presented each other with all sorts of terms upon the acceptance of which a peaceful agreement was supposed to depend. What followed regularly upon the increasingly sharper refusal of the terms at issue, was secret negotiations and again... secret negotiations. Our progressives were disconcerted by the turns in American policy; not a single one of them remembered the aphorism—true under all circumstances—that in secret negotiations something is always being cooked up which is completely different from what outsiders are allowed to smell. The fight is allegedly over Berlin, but the 'bitterly fought' struggle is in reality over a *modus vivendi* in the Near and Far East. The progressive cannot, or will not, understand that the mysterious 'upsets' of the 'Anglo-Saxons' (which are described as 'attacks' against the Marshall Plan, inspired, or at least tolerated, by America) constitute the very essence of the Marshall Plan, which has the task of *discovering the average level at which rations are to be fixed and mass misery stabilised*. The most important obstacles to the achievement of this aim are constituted by a section of the American and the world bourgeoisie which realise that this involves its own destruction; further by the masses of Europe and Asia and by England which is too weak for a 'strong' policy and still too strong for one which is—pure and simple—weak. Innumerable difficulties and obstacles being given, the distribution-modus is not easy to discover. None the less: when the progressives in the course of the dogfight over quotas return to the benefits of the Marshall Plan, and note with a sort of 'grim' satisfaction that the situation in the West has improved while it has deteriorated in the Eastern section as a result of the Russian blockade and Western counter-blockade—then they once again fail to perceive that this tragic-delightful result was also calculated in the 'Plan'. In the framework of capitalism nothing can be achieved without power-politics. Since the point at issue is the continued existence of the continuously decaying bourgeois society itself (whether it calls itself 'communist' as in Russia, or 'socialist' as in England, makes not the slightest difference), it is necessary to face the realities of power politics calmly and to make them the only certain basis. No doubt, nobody wished it directly to be so, but in a society which makes human beings dependent on the system and not the system on human beings it always happens that if the level is raised an inch in one place it drops by two in another.

What thereby takes place in the international arena finds its repetition nationally. While 'certain' industries in Germany, Japan, Western Europe, etc., are once more obtaining a certain leeway, and while 'certain' sections of the bourgeoisie can actually speak of an improvement (the lustre of which is as from a mirror immediately reflected over the 'whole nation' by the utterly fraudulent manipulation of statistics), the labouring masses and and 'certain' other sections of the population are paying a price for it several times in excess of the value of this pitiable pottage. Nowadays when one is confronted with trade, production, index figures, etc., one should remember Mark Twain, who even in his day could say: 'There are lies, damned lies, and—statistics.' It is thus sheer nonsense when, for example,

the American economist Margaret Reid (in the course of an investigation commissioned by the Federal Reserve Board) informs us that 'the' rich and poor in America are now wealthier than before the war. What that could mean would be difficult to say, for alas, there are at least 20 million 'poor' people in America whose income of 20 dollars a week, and frequently less (there are in America as everywhere else in the world quite a number of people who have no income at all), would have to be doubled in order partially to make up for the rise in prices and to be in line with the minimum standard of living. (It is because of this that President Truman demands an increase in minimum wages from 40 cents to 75 cents an hour.) True, the rich, industry in particular, made once more 'unprecedentedly large' profits in 1948,<sup>1</sup> but what this has to do with 'the' poor who have 'relatively' more money and yet ought nevertheless to spend their (mysterious) savings more rapidly, is impossible to fathom. More important than such generalising 'statistics' are Margaret Reid's subsequent findings which reveal that the 'middle class', in contrast to the poor and the rich, *has become poorer*. This is the really significant feature, and it is completely irrelevant to the assessment of the general tendency of development which layers of society or which countries it affects either particularly adversely or particularly preferentially at any given moment. All weighty facts confirm that the total level of the capitalist ruled world is falling, notwithstanding all efforts and partial successes. As soon as this state of affairs has been reached, there remains only one factor to be taken seriously: the no longer preventable degeneration of a society which must be replaced by another.

It ought not to be a matter of surprise, therefore, to find that the 'Berlin Crisis', with blockade, counter-blockade, conflict about the currency reform and the play on the danger of war, remains merely the facade for permanent secret negotiations in which are decided questions such as, for instance, which of the above-mentioned layers of society or which peoples or countries it will be possible to sacrifice at a given stage of the declining development. Once the social, political and economic components are taken together as one whole, it becomes clear that it is opportunity alone that (as in the case of China) decides the fate of a round quarter of humanity. It is in terms of operations of such gigantic magnitude, demanding long preparations and innumerable gambits, that the manifold functions of the rumours about the war, brought unwittingly to a peak of hysteria precisely by the progressives during the 'critical' days of Berlin, become intelligible. Whoever wants to form an adequate picture of the situation must definitely take into account the fact that the whole ball of problems begins here to dance before one's eyes, for many needs and their corresponding events come into play and flow together into the end-product.

\*     \*     \*

In order to emphasise sharply the point at issue, we will for the moment even take at their face value the periodic announcements of the beginning of economic recovery in Western Europe, of the improvement of world economy in the year 1948, of the rehabilitation of Western Germany beyond all expectations, etc.<sup>2</sup> We thus have a perspective favourable beyond all

<sup>1</sup> That, at least, is what the newspaper headlines say!

expectation which is, unfortunately, contradicted at once by a strange fact: the 'further' rise of unemployment. In dealing with this, as with the related questions, one does better to fall back on news items, official announcements and press commentaries (the press commentaries in particular will show that there are other people besides ourselves who can do a good job of painting the devil in his true colours, even though they are helpless against him). First an A.P. message on February 26th, 1949, from Geneva:

'The International Labour Office to-day reported a "significant" [Unfortunately the "significant" was not more closely specified in the report! E.Z.] increase of unemployment in six European countries at the end of the year. It has, however, arrived at the opinion [!] that the general state of unemployment is still low in most European countries.

The greatest rise was in Italy where 2,161,271 people were out of work last December, almost 400,000 more than in December, 1947.

An increase in unemployment is also discernible in Belgium, Denmark, Finland, France and Switzerland, as well as in the American and British Occupation Zones of Germany.

In Canada, 106,000 people, or 2.1 per cent. of the labour force of the country was without employment during the middle of November (1948), compared to 87,000 last year. In England, the Labour Exchanges reported 359,000 people as unemployed last December as compared with 307,200 for the previous year.'

For America a recent report from Washington (March 4th, 1949), is available:

'The number of jobless Americans shot up another 550,000 in February to 3,200,000, the highest unemployment since the war.

The Census Bureau, reporting the figure to-day, attributed the rise partly to bad weather in some parts of the country and partly to "non-seasonal layoffs" in industry.

The Census Bureau, however, found that this second consecutive monthly jump in unemployment was nothing to get alarmed about.'

As though to 'confirm' the view of the Census Bureau, U.P. (also of the 4th of March, 1949) reports from Hartford:

'Layoffs increased in Connecticut industries to-day and State Labour Commissioner John J. Egan warned that the State "is definitely in the grip of a recession".'

Egan said that as of February 26th there were 56,120 jobless, an increase of 10,567 in one month. He said he saw "nothing to indicate the rise in unemployment would stop".'

Everyone can draw his own conclusions from this, for when we spoke of 'the first signs of a serious disturbance affecting America also', it does not yet mean a catastrophe. It merely substantiates the view that we find ourselves in a situation in which each alleviation, once we place it in its total context, becomes negated by a heavier burden. In spite of this limitation A.P. circulated as early as the 26th of February, from Washington, an article by Sigrid Arne which, contrary to the opinion of the Census Bureau, stated:

'The increasing unemployment figures have alarmed [!] the economists in the Labour and Trades Office and in the Administration for Social Security. The Government economic experts all agree that we are experiencing a transition to a lower level of prices. But they say, this should in no way [!] mean increasing unemployment. When prices fall large numbers of buyers must in their opinion appear somewhere, for according to their estimates Americans still have 265 billion dollars in savings.'

\*The note intended here has expanded itself into an independent section which is printed as an 'Appendix' at the end of the article.

After the various parties and one and the same party have both alarmed and not alarmed us, we may turn to the causes of the tangle. Arne writes:

'In October, the collapse of prices and retrenchment began. In January, the figures of the new unemployment had already reached a certain stability. An expert refers the present situation to a multiplicity of causes. He states: "We are now in the first year in which the war-suppliers [!] have taken the opportunity of making an inventory. That is to say that they are ceasing for the first time to buy up all the materials they can get, and are only laying up stocks of raw materials for a limited period. Besides this, the public is now adequately [!] supplied with goods that were in short supply during the war. Finally, the month of January is always a month of poor employment. The present employment figures are not yet to be regarded as serious and final.'

The ordinary person is not in a position to know whether 'employment figures' are to be regarded as *serious* or not—the *unemployment figures* were, however, certainly not to be regarded as 'final' and therefore soared to new heights during the month of February. We have further to assume that 'the' public constitutes 'the numerous buyers who must appear from somewhere', a public which has been specified as 'being now sufficiently supplied with goods that were in short supply during the war', and that in consequence one of the causes for the laying off of workmen also gives ground for the opinion that 'this must by no means be interpreted as a sign of increasing unemployment'. Therefore some of the 'facts' are given here which, according to economists 'ought to prevent the catastrophe of 1929' (is it not 'significant' that a comparison is drawn between the conditions of to-day and those of 1929?). Arne indeed gives in all nine alleged facts, but of these only three are even worth mentioning:

1. 'Both employer and worker now have better knowledge about economic questions and are displaying a much greater vigilance on the matter of unemployment.' [Incidentally: this is a fact bordering the miraculous and again a motive for preventing the catastrophe and causing it at the same time, for Arne wrote at the beginning: 'Railway companies, textiles manufacturers, shoe factories are either dismissing workers and staff or curtailing their working hours,' With a little vigilance, employers, workers, Arne and the economists would also be able to record the curtailed working hours as a phenomenon of unemployment, about which we should have better knowledge. E.Z.]

2. 'The "Federal Reserve Bank" is now demanding that people who buy on the instalment system pay down a third of the price for a motor car and a fifth for furniture. Whenever these industries are in difficulties, the "Federal Reserve Bank" will be able to alleviate the severe instalment conditions in order to stimulate buying.' [And when the already unhealthy pumping business fails to help? Then the whole demanded-fact will be replaced by similar facts. E.Z.]

3. 'Our international obligations should [!] soon lead us to organise the arming of Western Europe. That means a minimum expense of a billion dollars for workers' wages and materials in the United States.'

This, meagre as it is, is finally a substantial fact! Whatever one may think about its effects on a catastrophe it has still to be decided whether the economists who see their salvation in this are simply boundlessly cynical or merely stupid. The capitalist-ruled world is certainly spending 45 billion dollars this year on direct and indirect (Research-work!) armaments. At least 16 billions of this falls to the share of the most wealthy and powerful country in the world, yet its wise men place their hopes on the additional 1 billion for the arming of Western Europe. Whether one may regard it as cynicism, dilettantism, pure idiocy or a mixture of all three the single case illustrates the general law that the armaments industry has become the

corner-stone of the whole economy. It is of the essence of such an economy to prepare on the one hand ceaselessly for the final battle between the main rivals, and on the other to look for a means to prevent a repeat-performance after this final battle and to secure 'peace' (of all desires the artificial ones are the least liable to satisfaction and therefore strive most impetuously for 'eternity—deep, deep eternity'). Although capitalism can never achieve its aim and looks for peace in vain (the yearning for eternity leads to constantly increasing restrictions—that for peace requires new and ever again new 'preparedness'!), it maintains the direction it has taken until it has either completely ruined the world or else is diverted from it by counter forces. 'Unfortunately', it not only meets with many external obstacles on its path, but also creates by friction such ones which aggravate its 'inner' difficulties. It therefore cannot maintain its course and avoid its own decline without eliminating hindrances which lie in its way in the shape of (generally speaking) external and internal enemies. In the final analysis, the available means for overcoming all obstructions can be reduced to two: physical violence in the widest sense (from economic compulsion to war and civil war), and intellectual violence by means of 'propaganda' of any kind (which is in this sphere always fraud and swindle).

If this and the fundamental contradiction of capitalism are firmly held in mind, the various aims of war propaganda in the era of the Marshall Plan are gradually revealed:

In the first place, of course, the people (the so-called 'public opinion') shall be prepared for, and bound to what of late has in America been termed preferably 'preparedness'-armament (for the 'final battle').

In the second place, war propaganda gives a pretext for taking comprehensive measures against the internal enemy who in war-time can develop overnight from a latent into an acute danger.\*

In the third place, it provides a justification for the accumulation of abuses and the economic destructions which become every day more senseless with the accompanying disproportions on the basis of which the capitalist system muddles along.

In the fourth place, it serves to draw attention away from the profounder causes of the economic, social and political misery.

In the fifth place, it suggests the 'need' for secret negotiations, and helps to deceive the broad masses about the decisions which are taken behind their backs.

\* \* \*

As has been stated, the present political situation stands not so much under the sign of a world conflict as under that of a community of interest between the main protagonists, and the long-term preparations bear the

\*In this category belong all interventions into the affairs of other countries (e.g. in civil wars) and all colonial wars. The less both these forms of struggle against the internal enemy can be sharply differentiated or separated from the struggle against the external enemy and the preparations for a final fight, the more their immediate aim is to suppress internal aspirations for liberty and independence. 'Ideological' antagonisms, 'communist' influences and uprisings led by 'communists' therefore play a great role propagandistically and are used as pretexts for interventions and actions in colonies.



stamp of this. If it, therefore, does not pay to enter into the danger of a war between Russia (etc.) and the Anglo-Saxons (etc.) in the near future, it pays all the more to unmask at least in general outline the object of the war clamour in the case of (as they should be christened) the 'Marshall Plan events'. The journalist Edmund A. Thomaser, of the New York *Staats-Zeitung*, will, for systematic reasons, be our most useful assistant in this matter, since he is of all newspaper writers known to us the one who usually gives the most consistent, most intelligent and, subjectively, the most honest commentaries.<sup>10</sup>

To begin with the fact must be noted that the first harvest of the war propaganda has yielded America 'peace-time' conscription. This institution, useful 'in all eventualities', is also good against the internal enemy (the bourgeoisie knows very well that crises are coming which it will no longer be possible to deal with as with that of 1929), and helps to maintain capitalism in working-order, which, were it not for armaments and the artificial absorption of labour, would no longer make it possible for it even to drag along. Furthermore, the threatening danger of war with Russia created a devilish noise which helped to prepare the German masses for a currency reform which consists almost wholly of social hardships and injustices against the poor. Currency reforms are without exception robberies of the peoples; but in the concrete German case the clamour was particularly necessary in order to subdue the people psychologically, and to place all advantages in the hands of those who would profit by the grant of that controlled 'certain amount of leeway'. Obviously the currency reform had to 'stabilise' conditions. What the effects of this were has been excellently described by E. A. Thomaser on February the 27th, on the occasion of a despatch which 'is conducive to the growth of evil suspicions regarding the further social and economic development in Western Germany'.

"The mentioned information from Frankfurt a.M. confirms certain... reports according to which it is considered on the American side that the time has now come to drop the financial subsidies given by the Allies for necessary imports, and thus to compel the Germans to pay the full world market prices for their total imports. The authority for this is, according to the Frankfurt dispatch, our military governor, General Clay. Even before this mention was made of an order from the Bizonal Control Office which informed the German Bizonal Administration in Frankfurt that, as from this Spring, all imported foodstuffs, fertilisers, medicines and all seeds would no longer be payable at the hitherto usual prices, but at the considerably higher world-market prices. From the day after to-morrow, amounts of Westmarks will, in all such cases, have to be remitted to the "Bank of German States" corresponding in full to the equivalent value of the articles in question. No more foreign subsidies for German supplies! As from May the 1st, the prices of all vital imports of the above-mentioned sorts will be adjusted to the admittedly too high 30 per cent. conversion value for the Westmark.

<sup>10</sup> It is difficult to discover what position Thomaser occupies in the machinery of the *Staats-Zeitung*. He seems to be a member of the editorial board, or at least to be one of those who are informed in advance of editorial plans. In spite of the fact that he continually makes 'Marianne' responsible for everything, and in some respects is quite naive, one might safely say that, if he were not in the company of such philistines and demagogues as S. Aufhäuser, Dr. Max Fischer and Julius Elbau, and could secure greater independence for himself, he would soon increase significantly in stature.

What this will lead to is clear: naturally to a further [!] gigantic increase in prices. It should be remembered that, ever since the currency reform [!] consumer's prices for all the vital necessities of the German population have been soaring without interruption. This considerable new increase in the prices of general requirements, advertised with such frank cynicism, is grist to the mill of all those who prophesied that the first effect of the mentality which we have to "thank" for the recently completed French-dictated Ruhr Statute, would be a tightening of German belts.

Actually, bread prices are already showing a tendency to rise, even if the increased cost of bread has in fact up to now been without any immediate justification. In any event, the "bread question", both in its literal and general sense, will soon become acute again for the Germans in the West, who had come to believe that the time of deadly anxiety about the precious daily bread was over. Moreover, German wages and salaries remain as low as before, and thus give occasion for the noise that English competition makes about German "coolie wages"—as though there had never been a Potsdam which decreed a depressed "standard" of living for the Germans as a *punishment*!

As we explained in our issue of last Sunday..., the non-German world, including public opinion in America recorded the natural indignation with which the German people responded to the new conqueror's reckless measures in the West... as a symptom of a damnably arrogant "Neo-Nationalism"... The Germans, the overwhelming majority of which have after the currency reform [!] to struggle more desperately than ever for a bare existence, are, by means of misleading generalisations from more or less authentic "impressions" gained at night-clubs and other resorts of gluttons and profiteers, denied to be in need of any help....

The proof that there is, behind this, a deliberately tendentious agitation, "worthy" of the American Morgenthau-boys and their New York press organs, lies in the crudely mendacious figures given in such articles which deal with one of the main groups of German sufferers, namely the "bombed-out" and the refugees from the East. In one of these effusions, for example, the number is "estimated" as being no more than a few hundred thousand.

According to the statistics of a Swiss paper we would have to assume that more than nine-tenths of the West-German population are living in prosperous, or at least satisfactory circumstances, and suffer no hardship. From German sources this excellently informed newspaper could have confirmed facts of a contrary nature... like the following: that the rest of Germany had to take in eleven million people expelled from the East; that—as the paper in question incautiously admitted in another connection—actually 25% of the Western German population lost everything through bomb damage, not to mention the partial damage sustained; that the currency reform [!] deprived [!] additional millions of the very basis for existence, and that lack of clothing, food and housing is still great to-day among a not inconsiderable section of the German people.

In Rhine-Hesse, for example, the average consumer received no more than 370 grammes of fat, 400 grammes of meat and 125 grammes of cheese in December—before the holidays!—and for even these meagre rations, there were many who lacked small change of the newly "stabilised" kind, so that they had to look to charity....

While the Germans have to tighten their belts and propaganda hostile to them would like to sabotage even the emergency relief, the Allies are preparing to put into effect the new Ruhr Statute and thus to place the coal, so to say, the bread of German industry, as well as the coke, the steel and pig-iron of the Ruhr, and also the manufactured steel products of Solingen and Remscheid, at the disposal of the coming International Ruhr Consortium. This is a board on which Germany will, for the foreseeable future, be represented by—a representative of the three Occupation Powers [!]....

Reuter reported last week... a wonderful plan for the "control" of the Ruhr steel industry. According to this, industrial Western Germany—for in fact it is by no means only a question of what Germans and until a short while ago everyone else understood by the Ruhr district—is to be ruled by a board on which there will be three chairmen. The American chairman will be responsible



for production, the French for distribution, and the British for the financial and organisational aspects of "control". The key to the solution of the whole Ruhr problem is naturally the question of distribution—which includes, *inter alia*, the division of German steel production as between export and home consumption. "Due to the fact that the Frenchman will order the distribution of steel to the benefit and profit of France," says an American critic, the only one who, so far as we see, finds the courage to express such a heresy, "the Germans, who are expected to dig the coal and weld the steel, will continue to be underpaid and will remain discontented. Due to the reorganisation of German heavy industry by the Englishman who, of course, in executing his task, will at any price take care to present the possibility of German industrialists ever being able to rival the productivity of the English steel industry, there can be no doubt but that the Ruhr industries will remain below par both technically and productively, and will thus never become a menace to their British competitors. And here we come to the point, 'Where the American Chairman comes in', that means in this case: where the work of the American on this board begins. Since he is responsible for production, which, it can be stated in advance as an established fact, under the circumstances bears all the marks of being the fiasco of this 'internationally planned economy', the American will naturally be responsible for the inevitably impending bankruptcy of the Ruhr. And his 'failure' will be a sufficient reason to allow our Ruhr Pact brethren to burden the American tax-payer with the cost of the miscarriage, and with the additional cost of rescuing Western capital-interests in the 'Black District' and its hinterland which this necessitates." Enlightened statesmanship, 1949 model!"

With this quotation, the whole ball of problems has already, as indicated above, come into motion, but in spite of a number of illuminating statements, we are still only at the beginning of the dance. Thomaser and his critic misjudge, above all, the role of the American chairman who, as the personification of the victorious tendency, knows quite well what he wants to achieve with his statesmanship and with the tax-payers' money (an abstraction which has for quite a time been playing the role of heavy artillery against the villains in all critical considerations). If one is naive enough to believe in the reconstruction of the world by American capitalism, there is no end to head-shaking. If, on the other hand, one knows that the Marshall-statesmanship represents that organic tendency of capitalism which *must*, in obedience to the urge for self-preservation and even against Anglo-French opposition seek to place Western Germany and finally the whole world on rations dictated by *America*—then an apparently contradictory policy becomes unambiguous and simple throughout, no matter how many compromises and tactical turns it manifests. It should always and everywhere be remembered: in its qualitative aspect, American statesmanship is exactly what it wants to be, and neither His Majesty's 'socialist' Labour Government of England (which certainly quakes in fear of German competition) nor poor Marianne would be able to prevent America from following a better tendency if she wished to do so. The key to the solution of the Ruhr problem happens to lie not in distribution, but in the production which determines distribution-quotas. The American was shrewd when he got himself the key position of looking after production, and he will only shrug his shoulders at the 'failure' of his statesmanship and at the abstract tax-payer. At bottom, E. A. Thomaser realises this. On January the 2nd, he wrote:

'With the final agreement of the six powers at the London Ruhr Conference last week, a decision has been reached on the key question [!] of the Western Allies' European policy regarding the establishment of a durable peace on the old continent, the sole [!] alternative being the disintegration of what remains

of the economic vitality of the European West. It has to be said in this case, unfortunately, that what needs a long time goes finally *wrong*.

... The outcome of six weeks' negotiations, the lengthy (Ruhr Statute) document, with the concessions made to French Chauvinism camouflaged as security politics [Material interests in bourgeois society nearly always require camouflage! E.Z.] gives little ground for thinking that it will do much good as regards the pacification of Germany and the destiny of Europe [to which England and America also belong! E.Z.]. It is thus confirmed that the idea of establishing German trustees and of leaving future regulation of the problem of the ownership of the Ruhr industries to a central German government, has been dropped for the sake of the French [why solely the French? E.Z.].

Not that great damage has been done in a practical sense by the elimination of the trusteeships. In actual fact, "Anglo-Saxons" had reserved all real [!] disposal rights in their original [!] Ruhr-plan drawn up in June; which went down the favourite drain in a trice following French protest. The two Military Governors also reserved to themselves the exclusive right of selection of the trustees, [Why then pillory the French in particular? E.Z.] Nevertheless, the disappearance of the regulations concerning the German trusteeships together with the abrogation of the promises previously made to the Germans that they would eventually be allowed to regulate the conditions of ownership themselves, emphasises [!] the character [that is, the "original" character determined already in June by the "Anglo-Saxons"! E.Z.] of the newly-concluded "internationalisation" of the Ruhr. This arrangement makes the Ruhr district the economic booty of the six London Conference powers *de facto*; and the "Ruhr" means, in this case, the total Lower Rhenish and Westphalian industrial district, including the Bergisch lands with Wuppertal, Solingen and Remscheid. For a later date, even the annexation of the Aachen districts on the left bank of the Rhine by the international board is envisaged. Also in regard to permanent "internationalisation" of the vital area of Western Germany, the London Conference has taken the desires of the French [and their own! E.Z.] into account. At the very least, care has been taken in the "Statute" to leave the six powers the legal facilities for perpetuating the economic annexation of the North-West German industrial provinces in one form or another, after the occupation of Germany has ended.

France had, it is true, to renounce her old demand for a regular carving out of the "Ruhr" from the German state. The French Ruhr policy has, nevertheless, been carried through [the "Anglo-Saxons" did not mind this in the least! E.Z.] inasmuch as the "duties" of the German authorities, as laid down by the Statute, in actual fact leave little of the rights implied both by the territorial sovereignty of the future "German Republic" and German self-government. This tremendously populous region—the most important industrial region of Europe—thereby ceases to be a buffer between the totalitarian East and the "democratic" West [this is, in any case, merely a piece of ideological camouflage on the part of Allied propaganda! E.Z.], and automatically becomes the war-booty of the victor.

It would be superfluous to add that the idea of preventing the rise of a new German "arsenal" in the Ruhr plays a great role in the plan. (The "arsenals" of the victorious powers remain, of course, untouched.) Little insight is needed to see that all this is mere comedy. [Indeed, yet the "arsenals" are still playing an important role inasmuch as America has now undertaken "to arm Europe", and will not allow this business to pass out of her hands! E.Z.] There are no agglomerations of modern industry which cannot serve as "arsenals" in the "next war"....

The Statute, however, proclaims again and again that the intentions of the Western victors, since they mean to manage the economy of the Ruhr within the general framework of the European Recovery plan, are good. Reciprocal economic assistance between the participating countries is said to be one of the "key points" of the whole scheme. Germany as well is to be included among these countries. The rightful German owners, represented by their Government, have been generously allowed three votes on the board of the future International Ruhr Authority, a number equal to that allowed each of the three main victor powers. So long as there is no German government in the West, the three Military Governments will exercise the right of using the German votes.

Even in the future, of course, these German voting rights will be nothing but a sham concession to international decorum. Even if the people to whom the Ruhr has hitherto belonged were given a vote or two more than the great foreign war-profiteers who are now preparing to make themselves at home in the largest industrial region of the European continent for all eternity [!], it would come to the same. For even then, the Germans could easily be out-voted on the board.

But perhaps it is a mistake to connect German vote and membership on the councils of the Ruhr-International with any German interests at all, no matter how well authorised these may be. The three German votes will be the casting votes when the Anglo-American [!] interests come into conflict with those of the continental [!] victor powers (France, Belgium, Holland and Luxembourg). This however means nothing more than that, in such an event, these votes will invariably be cast in favour of the "Anglo-Saxons"—of the "Anglo-Saxon monopoly capitalists", to use Moscow's terminology. It is clear that, as long as no West German State exists, and consequently two of the "German votes" are cast by Clay and Robertson or their deputies, the Americans and the British will thuswise be the uncontested masters of the Ruhr. [Now you talk! E.Z.] And even later, it would be a miracle if the Germans did not, for one reason or another, place their votes on the councils of the International Ruhr Authority completely at the disposal of the "Anglo-Saxons"....

Even the two regulations proposed in the French memorandum last year for the Ruhr-regime then wanted by Paris, have been adopted in the Statute. These are, the restriction of German steel production (absolutely senseless in the era of the Marshall Plan and after the umpteenth guarantee of German incapacity for war for the next few generations!) in the sense of the archaic industrial plan of August the 30th, 1947, and the limitation of the German share of the Ruhr coal output to a quota to be determined by the victors' board! [The controlled ration! E.Z.]

Under these circumstances, there cannot be the slightest doubt but that the German industrial West, so long as the colonial [!] status of the region North-Rhine-Westphalia continues in conformity with the Ruhr Statute, far from being the "corner-stone of all-European reconstruction" (as it was still recently called in an "Anglo-Saxon" official document), will rather be the starting-point of every European *economic crisis* of the future. For who can doubt but that, in a future depression, the Ruhr industry will be forbidden to produce a single ton of steel, so long as productive capacity in any of the Western European victor countries is not being used up to the last ton?

For the sake of the subject we hope the reader will bear with the length of the quotations. They provide uncommonly rich lessons, and the careful reader will find that the American devil is therein much more compromised than the supposed arch-devil, France. It is anger, the anger of a rational human being, that leads Thomaser to within an ace of the truth and shows him why it is that, 'under the circumstances described', there is no way out of the 'decline of what remains of the vital economic resources' not only of Western Europe, but of the whole world. He lacks above all, firstly, the consistency that would enable him to provide a convincing explanation of the events, and secondly, an ordered theoretical point of view which would allow him to find the key to the solution of the contradictions: The Ruhr Statute is an outcome of the Morgenthau tendency which has become generally decisive, which manifests itself again and again unconcerned about the quack medicines of the 'Progressives', and demands in a multiplicity of ways the *organisation* of stabilised mass misery. According to the content of his writings, Thomaser would have to summarise in exactly the same way as we did a year ago: 'It has become impossible to let free competing nations continue to exist when America itself produces 50 per cent. of all the goods reaching the world market. Therefore a death blow will be dealt to the dearly bought freedom of these nations and they will be annexed,

dismembered, made impotent, controlled and "administered" in the colonial sense.' Thomaser has brought out every one of these features excellently in the case of Germany (Japan, China, Eastern Europe, the colonies, etc., are further examples), but he cannot find the qualitatively dominant feature, and misunderstands the role of America, the most powerful carrier of the sinister development. As early as the 26th of December, 1948, he discovered that 'the new agreement essentially dictated by the Queuilles, de Gaulles and the agents of French heavy industry in London [!], appears, on close examination [!], merely to *proclaim* more honestly what Clay and Robertson had already intended in July'. He does not see that what Clay and Robertson had previously intended could not later have been 'dictated' to them. He continues: 'The French victory [!] on this point means, of course, that the Western Allies no longer hold the conviction, which they had expressed in very formal terms, that the Ruhr industry is the corner-stone of Western European reconstruction—or at least it means the renunciation of any *practical inferences* from this conviction. There is nothing more wonderful in the world than the consistency one finds among politicians.' Not bad, but inconsistency repeatedly causes him to fall into confusion on the decisive point, and a few weeks later (February the 13th) he pins his hopes on the formation of a 'European Council' as announced by the 'Signatories of the Brussels Pact' (who are precisely the 'Ruhr Pact brethren'!). The 'idea of European unity' seems to him to be getting somewhere because, on the Thames, 'nothing is more earnestly discussed than the place Western Germany is to occupy in the future European Federation', and because 'there has been a rediscovery of Germany's membership of the European continent' (for how many times this time?). Personally hostile to a 'remilitarisation' of Germany, he cries out in amazement: 'And behold, no sooner has Marianne secured her "Ruhr Statute", and we have already to assume that there are Statesmen in "the council of Western Union" for whom the idea of a new German army is, at least, a matter for discussion'—as though this could be avoided in the long run, the object being the 'pacification' of the German masses, that is to say: as if it were not rooted in the well-understood interests of the Ruhr-Pact fraternity, including America! A week later, February the 20th, all the rediscoverers of Germany's membership behave in such a senseless manner that Thomaser is compelled to object:

'Unfortunately, the reaction of the victorious foreign countries to the quite justified attitude of German public opinion on the question of the Ruhr has been an extremely unfavourable and unpleasant change of mood towards the German people. The new ill-feeling in the West has even clouded the relations existing between such "Anglo-Saxon" [!] groups as otherwise kept themselves free of nationalistic prejudices in judging German questions, and groups of kindred-spirits [a nice bit of ambiguous irony! E.Z.] in Germany. . . .

The executive of the German Social Democratic Party, for instance, after its Iserlohn Conference (end of January) had to experience the fact that Western European parties and trade unions were far more inclined to side with their own governments [that have these unprincipled gangs, who are far from being "free" of nationalistic prejudices in common with nearly all progressives! E.Z.] than to listen to the Iserlohn criticism of the "Statute". [Herr Gerhart Seger also called his kindred-spirit Friedrich Stampfer, who had called the Ruhr Statute the "Yalta of the West", to order! E.Z.] Even the fact that the domination of the Ruhr brings to an end all hopes of the socialisation [in correct terminology: "Statification"! E.Z.] of Ruhr industry—a hope formerly enter-

tained by the British Labour Party and by French Socialists like Blum [whose "socialism" has made him immortal! E.Z.]—even this failed to prevent the unfriendly reaction of Western European Labour Parties [?] to the representation of the most vital interests of the German workers, which, as in duty bound, were made by the S.P.D. and all other serious German groups. What was decisive for public opinion [no, for the *manufacturers* of opinion! E.Z.] in the victor countries was that the socialisation of the Ruhr would in the final analysis merely be a way of leaving ownership of coal, coke, steel and iron ore in German hands. It made no difference to the French and the British [!] that the preamble to "Law No. 75", which was in no way invalidated by the London agreement, recognises explicitly that the Ruhr is a river running through German soil, and that the wealth of this soil is German property. Indeed, Law No. 75 says more: It lays down that, after the conclusion of peace, a democratically-elected German parliament shall decide on the new arrangements of property-relations in Ruhr industry. That the "Anglo-Saxons" have, from one day to the next, and under American leadership, finally "capitulated" [the quotation marks indicate that Thomaser himself does not seriously believe in this "capitulation"! E.Z.] to the chauvinistic Ruhr policy of the French, is all the less understandable in that the above-mentioned clauses of Law No. 75, have, even in the view of our Military Governor Clay, not been invalidated.<sup>7</sup>

From all this one gets the very definite impression that Thomaser, while appearing to shower a rain of blows on the French sack, is really hitting the American donkey. The extent to which, in every sphere, he comes up against this all-powerful enemy, can be seen in these following statements of his:

'Alarming reports of a renewed flaring-up of German nationalism are to be found practically everywhere in the victor countries since the imposition of the Ruhr Statute and the first reports of the German reaction to it. But nowhere are they as frequent as in the New York daily press and radio [in America's metropolis, that is, where one finds it particularly necessary to deafen guilty consciences with loud shouting! E.Z.] which—there are exceptions of course—appears to have become the hereditary property of the "Morgenthau-boys"....

We are still waiting in vain for the New York newspapers which put their conception of a "new German nationalism" through its paces every other day, to say even a single word about the unanimous rejection of the remilitarisation of Germany by the Germans and their press.

To be sure, to expect newspapers over here to take cognisance of such German trifles is to expect them to give up their so-popular swindle about the "new nationalism" raging in Germany—and only in Germany.... Our home press (with a few honourable exceptions) leaves its public wholly uninformed of the regrettable fact that, at all events, there are also Nationalists outside Germany....<sup>11</sup>

<sup>11</sup> The 'mass-psychologists' should be required to explain the cause of the irresistible compulsion to deceive (as well as the suppression of particular facts). No reply will be forthcoming since they themselves are in part victims of the deception regarding the fundamental process, and in part are actively engaged in deceiving. The explanation of this phenomenon is to be found in the effect of material conditions upon the average consciousness. In the present case, it is the economic and military preponderance of America which—a trillion-fold molecular process—presses down upon the average consciousness, and, if need be, draws all values into its service by means of transvaluation. Thorough-going material changes have a far more terrible effect on the average consciousness (so long, that is, as the material relations in commodity economy have not been replaced by human relations) than the mass-psychologists dare to admit. It will mean certain ruin, and yet 'organisation of the world by America' is being accepted. Even honest opposition is finally forced back under the spell of America's preponderance and nourishes hopes where none exist, or envisages possibilities where there is only sheer impossibility. The deception is, consequently, organically conditioned and it appears to most of those involved impossible to discuss whatever measures America resorts to for the maintenance of 'our system'. This is an important topic which (like the question of the press) can never be discussed often enough.

One of the few laudable exceptions to the systematic [!] deception of the American people by the "organs of public opinion" which is, unhappily, the rule, is the column of George Sokolsky which, as regards the New York press, is to be found in the *Sun*. Sokolsky shows—just at the right time—that the American tax-payer [again this abstraction! E.Z.] is in danger of being cheated, by a non-German nationalism, out of the beautiful Marshall-billions from which we have expected [in our naiveté! E.Z.] miracles [!] for the reconstruction of Europe by way of some return from the countries which are the recipients of this aid. The New York publicist writes, *inter alia*:

"There has hitherto been no proof that the work of the Economic Co-operation Administration will really lead to the stabilisation of European currencies or to the reconstruction of Europe's industries thereby allowing the countries of Europe a (more abundant) supply of the products of their industry. There is little evidence to substantiate the assumption that the miniature nations of Europe, many of which have a smaller population than that of the Bronx, will now, after a costly war, show greater zeal for the solution of their economic problems than they did on the occasion of the London Economic Conference of 1933. The content of European history is one long manifestation of a nationalistic cannibalism which we are now supporting and furthering by means of E.C.A.—that curious institution that supplies tobacco-producing countries with tobacco! Certainly a strong tobacco!"

This is, indeed, so strong a tobacco that one might expect that the finger would now be laid on the sore-spot of the Marshall Plan itself, which, like all plans of this nature, is bound to fail since it originates in competition, is based on competition, and wants to 'organise' competition into the bargain. But in spite of the fact that Thomaser appears quickly to have forgotten the 'European Council' of the Ruhr pact fraternity, he can say no more about a solution than that 'Sokolsky in conclusion pleads for a European Federation (with Germany as one of the member-States).' Inconsequence thus leads from one nullity to another, and feeling this, Thomaser ends his article with the pessimistic words:

"To round off the picture pleasantly, it should be added that the great newspapers of the "Anglo-Saxon" world are nowadays seldom without headlines referring to the dangerous new German *competition*. In this field, the communist rags and the "plutocratic" press vie with each other. The fuss about German post-war competition which, if we are to believe these business-minded agitators, has again made its appearance on the world market and has already put on seven-leagued boots while in its cradle, shows most clearly what the fly in the ointment is."

Undoubtedly. The fly is in the ointment of competition, and no Council of Europe, Atlantic Pact or what have you, will remove it. It was there a week after the 'idea of European unification seemed to be getting somewhere', just as it was the previous week (February the 2nd) when Thomaser (to round off the picture pleasantly) wrote the following under the title of 'How They Are "Uniting"':

'If the fact that the present set-up amongst the great powers, dominated as it is by the East-West discord, makes a real peace-settlement of Germany and Austria (and thus of Europe and the world) on a four-power basis seem completely [!] impossible, then it is true that the prospects for such a settlement in the camp of the Western Powers are, unfortunately, scarcely brighter. France here still pursues an implacable German policy calculated to obstruct all real possibilities of peace. However it appears as though there will be a return to some sort of unity of political intention in German affairs among the Western allies—unfortunately only in the sense that the "Anglo-Saxon" powers are more and more resolutely bringing their policy into line with that of the French....

The increasing zeal which characterises the dismantling policy on the side of the British in the new year is also significant. And the support given this sense-



less work of destruction by the Administration in Washington through the suppression of the report of the Humphrey Commission—believed to be a scathing criticism of dismantling—appointed by the E.R.P. chief Hoffman [deception by silence! E.Z.] also lie along the "Anglo-Saxon" line of retreat before the de Gaullist-communist Messieurs....

Recently a regular panic among British business men following the first slight successes of German exports has been observed.... And even although General Robertson... "sharply denied the allegation of British export interests that German economic recovery had already led to unfair competition against British export trade", it seems nevertheless that the British exporters... have found a hearing at the London Board of Trade....

Our military governor, General Clay... energetically defended the price policy of the "J.E.I.A.", pointing that the American tax-payer [nobody dies when this abstract cannon fires with a loud bang out of the mouths of these many gunners! E.Z.] would have to pay the bill for the next few years if a shabby English (and French) [and American! E.Z.] policy of continued suppression of German export trade should sabotage the results of our attempts to earn enough currency to cover German import requirements.<sup>12</sup> The aim in the long run, of course [absolutely of course! E.Z.], is to strangle German competition [!]. The capitalist struggle for world markets [!] is, like the cold war between East and West in the camp of the victor, also to be carried on at the expense of Germany [this is one of the reasons for the "planning" of all kinds of Councils and Unions of Europe by the Western Powers! E.Z.]. The only question is whether Uncle Sam will once more capitulate to his friends, and whether in the export controversy as in the Ruhr question and the dispute over dismantling, unity among the Western Allies will in the end be restored only in the shape of common aims [!] which are both negative and destructive.'

The result of so interesting a round-trip, to which we are beholden for a closer acquaintance with countries and peoples (about the collisions with 'Marianne' and her 'Messieurs' the most one can say is that Thomaser has a 'complex' about it!) is that, properly speaking, there remains only 'negative and destructive aims' and it is surely superfluous even to begin to restore 'unity among the Western Allies' in this 'form'. It is, however, necessary to uncover the fact of the unity of the Western Allies with *Stalin* and—now that Thomaser has obligingly introduced the question of the 'East-West discord' and of the 'cold war'—to investigate the function of the clamour set up about the war with reference to the remaining events. To this end the ball of thread bounces back to the 15th of August, 1948, on which date it performed an exceptionally intricate dance. Thomaser comments:

'It is only a few days since Stalin's conciliatory tone and highly-official smiles of the Western Diplomats after their reception by the Bolshevik czar [Thomaser also plays his part in the "Bolshevik" deception! E.Z.] has once again stimulated a flow of naively optimistic feelings, and already the Kremlin has overstrained the bow to such an extent that it is bound to break [!] in the next few days, unless the week-end should happen to bring a surprise. [No surprise came—the bow proved to be extraordinarily solid, and has held to this day without slackening! E.Z.] Negotiations may be expected during the week, unless one or the other of the two parties—America as spokesman [!] of the three western powers, or the Moscow Politbureau headed by Stalin—should still be prepared to execute a humble retreat at the eleventh hour!

The statesmen of both East and West have so far spared each other [!] such a humiliation by making use of a neat trick in order to humbug [!] world opinion. The so-called preliminary negotiations—for formally they remain to

<sup>12</sup> It should be pointed out at long last that, for all this talk of the supposed 'gifts' that America has made to Germany, Europe, China, etc., a counter-reckoning can be made in the light of which our brave taxpayer would turn out to be a cunning and 'shrewdly-businesslike' fellow. This is a chapter of deceptions the treatment of which must, along with many others, unfortunately be postponed.

this day preliminary—have long ago shown every sign of being the actual negotiations (even though from the start they were not very promising) of the four powers on the whole German (perhaps even the whole European) complex of problems, without its being admitted by any [!] of the treaty partners....

And should the negotiations, given out to be mere "preliminaries" for a new Four-Power Conference, be broken off unsuccessfully after the reception of the Western Representatives by Molotov two days ago, it would, in truth, mean no more than that we have here yet another chapter in the endless litany of Four-Power Conferences that has been going on since Potsdam, and which has produced such excellent wastepaper for the archives of the four foreign offices. Only the most simple-minded souls can surely be taken in by the diplomatic humbug... of trying to "save face" by denying that proper negotiations ever took place at all.

... The attention of the world is as before concentrated on the Kremlin. Enough reliable reports have trickled through in spite of the Iron Curtain that has been spread around the Kremlin conference by secret diplomacy.... The Russians neither wish to agree to the raising of the Berlin blockade, i.e., they do not intend to fulfil the pre-conditions without which we refuse to sit together with them at the real conference table, nor do they show any desire to relinquish the remaining demands which are known already from Molotov's reply to our ambassador Bedell Smith during the tragi-comic diplomatic skirmishing of last spring. These demands, it will be remembered, aimed at the inclusion [!] of Russia in the international Ruhr control [!] and in the plans for a West-German State [!] and were connected with a protest against the formation of a Western European Union....

The obscurity that shrouds the Kremlin discussions that have now entered upon their critical [!] phase, will, in the case of all political minds, be dispelled by the light of historical experience. At least we know that it is impossible to safeguard peace by making concessions in matters vital to the democratic world and to our national security when we are faced with an opponent who is aggressive and intractable, or who, at least, is prepared to go to extremes, going so far as to take into consideration the risk of war [!] in order to carry through his bluff. In the case of a new "Munich", this time on the banks of the Spree, a third World War would be inevitable.

What remains incomprehensible is why our diplomacy should ever have promised Stalin and his Foreign Minister negotiations not only about the Berlin question, but also about the problems of Western Germany and Europe, when in actual fact we never were for a single moment either prepared or in a position to do so.

It will be clear to all political minds enlightened by historical experience that three points stick out of Thomaser's explanations:

(a) Russia wished to be included in the international control of the Ruhr. She was opposed to a West German State and to the formation of a Western European Union. The Western Allies, for their part, wished to see the blockade of Berlin lifted, and would not 'really' go to the conference table unless this condition was met.

(b) Both parties are none the less negotiating and denying that they have 'really' negotiated. They are negotiating not only about Berlin but also about Western Germany and Europe.

(c) These problems are being negotiated behind the Iron Curtain of secret diplomacy while the world public is 'humbugged' by means of diplomatic humbug.

We are thus living in a world of humbug. Why are Thomaser and many other progressives taken in by the 'war danger', and why have they never once hit on the idea that the Berlin 'crisis' is perhaps a mere screen (designed to humbug the world public, i.e., the victim) behind which other far more



important problems are being decided? Is it not the case, in the final analysis, that the treaty partners, no matter how vigorously they haggle among themselves for the spoils, are merely playing prearranged roles? However that may be, on that same 15th of August on which Thomaser so excellently described the situation with its facet of secret diplomatic humbug and yet deceived himself so completely about the 'breaking bow', the unswerving west-east unity made a striking appearance in a special message of Jack Raymond's in the *New York Times*:

'Although the three Western Military Governments have pressed for the formation of a Western German state and German officials are speedily carrying out that plan, the Western Allies do not intend to sign a peace treaty with any but an all-German government, including a representation from the Soviet zone. . . . Western authorities said that they intended to keep their wartime agreement with the Soviet Union that no separate treaty would be signed.'

Given such faithful adherence to war-time treaties, only really the most simple-minded souls can feel that they have been duped when against all expectations the road of all negotiations time and again lead to Moscow, that is to the grave of every hope for humanity. One of those 'accidental' coincidences so frequent in history also brought it about that, during these same August days, the American newspapers were reviewing a scientific book by William Vogt entitled *The Road to Survival*. In this work the following lapidary sentences are to be found:

'There is little hope that the world will escape the horror of extensive famines in China within the next few years. But from the world point of view, these may not only be desirable but indispensable. A Chinese population that continued to increase at a geometric rate could only be a global calamity. The mission of General Marshall to this unhappy land was called a failure. Had it succeeded, it might well have been a disaster.'

In this passage the scientist calmly utters these frightful words with a courage springing from a sense of obligation (on account of which he feels 'objectively' proud) and unmasks himself as an ideologist justifying the quintessence of the development of declining capitalism in his field. And because he, with all his (often acute and correct) criticism, knows only the point of view of the bourgeois world, his justification, based on those premises, is even correct: Within the framework of the capitalist system literally nothing else remains but to draft and vary Morgenthau Plans which take the 'desirable' for the 'indispensable' and endeavour to regulate practice accordingly. The statement, however, that General Marshall's mission was not 'successful', is incorrect (an ideological apology). It is known that Marshall (1945-46) considered his mission in China to be the establishment there of a coalition government composed of members of the Kuomintang and 'Communists'. On the surface it appears that Marshall was unable to achieve his goal. But such aims are counted as long-term plans which must be stubbornly prosecuted and which require a whole series of manoeuvres before they can be realised. Marshall's opponents complained about the 'meagre' help given to Nationalist China, and correctly argued that a Chinese 'Communist' victory would be a *Russian* victory. It need only be added: Marshall knew this as well as his opponents who have even failed to understand why it is that Russia should be rewarded for her six-day war against Japan (at America's invitation) with the control of Manchuria which (as Max Fischer bitterly records in the *Staats-Zeitung* of

November the 21st, 1948), 'is the most highly developed industrial region of China, providing 88% of her coal production and almost the same percentage of her heavy industry'. Since we have followed developments only up to August, 1948, the following must be taken for granted: William Vogt transforms the meaning of Marshall's Mission into its opposite, and in reality prepares ideologically for the 'inevitability' of its success. It stands to reason that America could not tolerate the Russian victory but for the fact that she has bargained about conditions, economic matters, concessions, guarantees, etc. And since, up to the present, the events have not spoken for themselves, we will help ourselves along with this additional conjecture: During the time that all this alarm about Berlin deceived the simple-minded souls, Marshall's China 'concept' (this word will come from a competent source at the proper time) was, amongst other things, also on the agenda of the known and unknown secret negotiations.

And finally, in the background of that odd 15th of August, there appears the Danube conference, about which Thomaser thinks:

'If it happens just at this moment that the West (including America) is forced to tolerate political and economic expulsion from the whole of the Danube and Balkan area in the shape of an actual exclusion from the circle of Danube Pact powers, then we are once again faced with yet another receipt for the "catastrophic stupidity" of the Munich "appeasement".'

Has it been forgotten that there was once a war-time agreement in accordance with which the Western Allies undertook not to invade the Balkans against Hitler? Such agreements are surely not devoid of reason or significance. Add to this the fact of the Western Allies' loyalty to their war-time agreements, and less simple-minded souls will be quite justified in saying: Perhaps it is only the world political unity of America and Stalin that lies concealed behind the economic and political 'expulsion'—perhaps the Danube conference is 'once again also' a show to draw attention away from much more important events! There is, after all, a remarkable 'trend of stabilisation' permeating all these events which revolve around matters long since finished with (in this case, Stalin's domination of Eastern Europe, sanctioned by the Western Allies). The ways of loyalty are 'unaccountable' only if one is not capable of dealing with established facts and does not understand the profound elementary needs to which they owe their existence. Lack of understanding is the distinguishing characteristic of the progressive who, in the person of Thomaser, sees war-flashes everywhere and describe their inevitably new hangover with sorrow and honesty in the following way on August the 22nd:

'"Four-Power Consultations seem secured for September" scream the headlines of a Moscow message. Yet in the middle of the week one had been hearing, "Kremlin Discussions Still Stuck in the Mud of Impossible Russian Demands"—"Impossible to reach a mutually acceptable common denominator"—"More desperate Russian manoeuvres expected in blockade war", etc.

Those who limited themselves to the new [old! E.Z.] events, which justify the assumption that the fight is going on in earnest behind the "Iron Curtain" of secret diplomacy, once more possibly got the impression that the danger was reaching a climax owing to further complications. Nothing points to the possibility of yet another Four-Power Conference of Foreign Ministers, as was envisaged a few days ago from the most diverse quarters. (At the same time the reports once again gave a delightful picture of the four "Western" statesmen, humbly knocking on the closed door of Stalin's sanctum top-hat in hand'...)

By the way: Does the hope of an early new "Big-Four" Conference not seem

a complete absurdity under such circumstances? Could a conference of this nature really achieve anything other than a documentary ratification [!] and sealing [!] of the policy of the Iron Curtain and the partition [!] of Germany, seeing that it will be dogged at every step by the unswerving and relentless determination of the Bolsheviks to force the "Western" occupation troops to retreat, enforced by means of the most barbaric pressure from Berlin?"

Indeed, indeed, a remarkable *trend of stabilisation* runs through all these conferences—nobody intends to undo the accomplished facts of Morgenthau-Potsdam. Thomaser feels this so strongly that he need only take a small step forward in order to be able to cry out, this time without the question marks: The war-danger is a swindle!—The ratification and sealing of the (indispensable) policy of the Iron Curtain and the (long since decided, long since accomplished!) partition of Germany lie (amongst other things!) concealed behind it, and will be proposed as the only way out of the supposedly great danger. It is enough to drive one to despair to see how the honest and sensitive Thomaser lets the obvious solution of all the contradictions slip through his fingers again, and with a new good start goes on:

'And in case it had been necessary [!], proof of this [the ratification and the sealing! E.Z.] has been supplied—and just at the right time—in Belgrade. Only yesterday the State Department, with completely undiplomatic frankness and in the plainest terms, branded as brutal imperialism the policy of Russia and her six satellite states at the Danube Conference in Belgrade, at which the western powers (including the United States) were given the choice only of acknowledging the legality [!] of the exclusive domination of the states of the Soviet bloc (read: Moscow) in matters relating to Danube shipping through their signature, or of getting out. Vishinsky [this is the comedian in chief! E.Z.] went so far in Belgrade as to deny two countries through whose territory the Danube flows, namely *Germany* and *Austria*, any right of participation whatever in the new Danube arrangements, as also all rights in questions of Danube shipping. What the explanation of Secretary of State Marshall [!] leaves unexplained is how we could be prepared to send representatives to Belgrade at all [and to negotiate about European questions while "strictly" refusing to negotiate! E.Z.] after Moscow had made it quite clear that the seven Soviet bloc countries would approach all decisions at the conference with serried ranks and vote *en bloc* for the exclusion of the West from any active participation in the control of Danube shipping. Under these circumstances the optimistic expectations now being aired in Paris and Washington in connection with a new conference, to be devoted this time to the *German* problem, are quite inexplicable. [Good God, the optimism is thoroughly justified, as the "expectations" have long been firmly established as a familiar result! E.Z.].

Our administration can ascribe its defeat in the Belgrade negotiations [at which Marshall, marched with open eyes into the desired death! E.Z.] only to its own inexcusable naivete which permitted its representatives to take their place next to Molotov and his puppets at the Belgrade conference table [and thereby recognised the "legality" of the comedy under "protest"! E.Z.], although there could no longer be the slightest doubt [no more than there was for Thomaser! E.Z.] that no real agreement was intended there at all [correct: the intention was to humbug the public by staging a tragic show and to "prove" by means of a nice trick that nothing in the deliberately pre-arranged situation could be altered! E.Z.] but that the Soviet representatives were ruthlessly determined to carry out their intentions. The fact that our State Department pilloried the card-sharper that marked the Bolshevik policy at the conference [it's all in the day's work! E.Z.] would have led one to suppose that it was forewarned against repeating its mistake [who is making a mistake there? E.Z.] and had understood that it was not by means of "negotiations" that East-West differences in a much more important question, namely that of Germany, could be solved in the present situation. To condemn the Molotov of Belgrade and at the same time to pin one's hopes for peace on a Molotov of a new conference on Germany is "a contradiction as mysterious for wise men as it is for fools".

This contradiction, vulgar beyond words (Goethe had in mind a 'perfect' contradiction) dissolves into mere conference vapours when we remember that the *starting point* of the Marshall Plan is the division of Germany and Europe (from the Yalta in the East to the Yalta in the West runs a line of agreements faithfully adhered to!) and the fact that Marshall can have no other task now apart from devoting himself to the Marshall Plan, which means demarcating the boundaries clearly in terms of the 'organisation' of Europe. And seeing that Marshall (the State Department) has even more far-reaching plans, what makes Thomaser suppose that Germany is a 'much more important question' in the West-East disputes than, for instance, the Near and Far East? One can, on the contrary, assert that the 'retention' of Berlin for the sake of prestige or for other reasons plays practically no role whatever in the great 'strategic' plans in accordance with which the world is to be Russified or Marshallised. The ultimate partition of Germany is now going on under the pretext of Berlin and reaching its formal conclusion at this moment with the 'expulsion' of the East Mark from the western sector of Berlin and the 'work of making constitutions' for both States—this is the essential. 'Quite inexplicable under these circumstances' is the pessimism of Thomaser, who cannot get away from the silly progressives' danger of war, and on August the 29th sounded a false alarm if possible more loudly than before:

"The Berliners would be satisfied if only the Western democracies for their part would stop kowtowing to the Kremlin bosses at the eternal secret conventicles in Moscow. That this shameful spectacle continues even in these days when the Bolsheviks feel themselves strong enough for an international conflagration of the first order [!] is, indeed, the most noteworthy event that is to be reported in our chronicle this week-end. While it is plain for anyone who has eyes to see, that our dear old war-comrades in the East are willing to pay any [!] price if only they can drive us out of Berlin and are determined to reach their goal, viz. the inclusion of the whole of Germany into the Soviet Colossus as a further batch of satellite states, the ballyhoo that is political reporting [let us note this excellent expression! E.Z.] in Moscow talks of "hopes" of a solution of the currency problems [hopes which will be realised by the complete separation, since, regardless of the form, only the content is essential! E.Z.]...

That the prospect of a renewed intervention of the Bolshevik czar is held out, only serves to prove that the East-West discussions, whether conducted in the form of more or less well-intentioned efforts towards understanding behind the Iron Curtain of secret diplomacy, or in the form of the Berlin blockade-war, have now reached a critical point which perhaps involves the decision about war or peace.'

As usual the disconsolate comedy of negotiations is not at all badly drawn—as usual there is no trace of a 'critical point'. By a coincidence, the *Staats-Zeitung* happens to be a paper in which 'the ballyhoo that is political reporting' takes up such a lot of room that one would rather die than forego the opportunity of giving it an exemplary punishment in this connection (we have at hand the issue of August the 29th, from which Thomaser has been quoted). The question of secret diplomacy, which Thomaser takes heroic pains to denounce as a scandal week in, week out, provides an opportunity. As if to cast ridicule on him, there appears at his side a potato-planter philistine named Lothrop Stoddard (of the Washington Bureau of the *Staats-Zeitung*) who undertakes to conserve for the benefit of the American reader the reportage of 'the American Military Government on the Moscow

negotiations' (broadcast by all stations in the zone) which are beneath all criticism:

'The secrecy of the discussions notwithstanding, there is no question of a return [!] to secret diplomacy. [It is therefore a question of its *continuance*! E.Z.] Certainly not as far as the American representative is concerned. [The American's "point of view", of course, gives no guarantee for the rest of the diplomats! E.Z.] For [look out! here is an argument that will knock all opponents of secret diplomacy flat, at least as far as the American representative is concerned! E.Z.] 140 million Americans stand behind Ambassador Smith [and if this doesn't work, we will also keep secret the fact of these Americans standing behind us! E.Z.] when he negotiates [which, with the exception of secret diplomacy, one had "strictly" refused to do! E.Z.] at the Kremlin or the Russian Foreign Office. In that small room in Moscow the United States is represented by its ambassador [!] and [!] by 140,000,000 citizens [who will have to stand on one another's toes behind Ambassador Smith in that small room in Moscow! E.Z.]. Whatever the results may be they must [!] be accepted and supported by a majority of the American people. [You can bet your life on it! E.Z.] Ambassador Smith in Moscow, Secretary Marshall and President Truman in Washington look upon that [the "must"! E.Z.] as a self-evident presupposition [no matter what the results achieved secretly may be, their acceptance and support is pre-supposed! E.Z.]. The people will be informed subsequently [meanwhile they stand in the small room behind Ambassador Smith! E.Z.] of each [!] phase of the discussions [on August the 29th, we were speaking of the secrecy of the discussions: the United States were utterly depopulated for weeks, since the people were to be found in the small room in Moscow! E.Z.], of every point of agreement [we were of the opinion that there could be no negotiations unless the blockade were lifted, and Stalin enthusiastically agreed with us! E.Z.] and disagreement [we decisively rejected Stalin's enthusiasm, whereupon he showed the opposite of enthusiasm and proposed the establishment of a secret Special Commission in order to overcome the disagreement, about all of which the people will be told more later on! E.Z.].'

And so on and so forth until one feels sick in the stomach and longs to get back to the secret negotiations which 'smell so agreeably of nothing'. By the 28th of September, the West-East tension had increased to such a pitch that the Western Powers were forced to publish a 'White Paper' on the Russian bad actions and the *Staats-Zeitung* was able to write in its editorial:

'In short, our State Department and the Foreign Ministries in London and Paris admit in their most recent notes and in the White Paper that they achieved less [!] than nothing in their secret diplomatic discussions at the Kremlin and [!] in the Allied Control Commission building in Berlin, and that they have merely played into the hands of the Bolsheviks [these smart guys know exactly what they want! E.Z.].

To the limited understanding of the ordinary man [who stands, 140 million strong, behind the Ambassador and must accept and support the results no matter what they are, for that is what he pays the smart guys for! E.Z.] it is inconceivable how under such circumstances President Truman and his Secretary of State only a few weeks ago could still have wanted to lull the American people and the democratic world with pretty stories full of pious pacifism ("the prospects for securing world peace were never better than at the moment", so Truman innocently declared). With that our leaders have scarcely rendered a service to the "morale" of the nation!'

The 28th of September was on the whole another day of misfortune for the morale of the nation, for on that day one could read in the *New York Times* which naturally has also shown the results of the negotiations to date:

'Amid the sound and fury of the East-West dispute over Berlin the representatives of twenty-two countries met yesterday in Geneva for a four-day

secret [!] conference to discuss ways and means of reviving Europe's East-West trade. Delegates from Russia, Byelo-Russia and eight satellite countries... sat down with delegates from eleven Marshall Plan countries and the United States [!]. Russia proposed the meeting... This conference, secret though its proceedings may be [behold the results, "whatever they may be"! E.Z.] will yield some valuable information [about which the people will be informed at a later date! E.Z.]

With that, the deeper unity between the West and the East is once again restored, for the Conference occupies itself with fixing the 'controlled rations', a matter which need not be gone into again here. Only a few more leaps and the ball will be unravelled before our eyes. Thomaser writes on October the 3rd:

'With the diplomatic events of the past weeks, a new chapter has been opened in the history of the world. [Great things are happening these days! E.Z.] The three great powers of the Western democratic world, the United States, England and France have written "finis" [!] to their three-years' endeavour to settle the West-East conflict in the victorious camp by means of direct negotiations. By bringing the Berlin question, since March of this year the focal point of the conflict, before the Security Council of the United Nations, they have opened a critical [!] new period in the development of the international relations of the post-Hitler era...

The West—if not under pressure from us, at least under our guidance, as is well known—has summoned the Soviets to appear before the bar of the United Nations on the charge of having endangered the security and peace of the world through the blockade of Berlin and through other measures designed to force the Allies out of the city.

Ernest Bevin, the British Foreign Secretary, announced that in the event of the charge before the Security Council—"proceedings on an international scale"—failing to achieve its purpose, exceptional regulations to allow for regional arrangements for defence against attack or threat of attack would have to be promulgated...

After all, the peoples [!] of the region of which Bevin... is thinking, have no intention of waiting until the fruitlessness of these proceedings, of which one can be sure in advance, becomes an evident fact [!]. Quite the contrary. A few days after the English Foreign Minister made his statement, England, France, Belgium, Holland and Luxembourg entered into a military agreement for the defence of Western Europe against possible attack. They have now provided their League, the "Western European Union"... formed six months ago, with a military supreme command... The Western European Union will, however, not be able to stand a military test of strength until it has been widened into an "Atlantic Union" by the inclusion of the United States... and only in this way would the Western Union, on account of the overwhelming preponderance it would throw into the scale, be a really effective guarantee of the peace and security of the democratic world...

The formation of the political and military alliance of the old Western European Entente Powers with the three small "Benelux" states took place under American auspices. But the work of deciding on the questions both of what military guarantees the United States will give for the security of these five countries, and of a "military Marshall Plan" for Western Europe, will be left to the President to be elected on November the 2nd and the future Congress in Washington.

Slowly but surely the economic and political organisation of Europe by Uncle Sam takes on a definitive form, partly as preparation for all eventualities, partly as preventive measures against the internal enemy (drive towards fascisization), partly in order to keep business generally going, partly because all these noble aims mutually help one another along and make the 'danger of war' such an urgent propagandistic necessity. The people are already so worn out by the 'new chapters in the history of the world', the 'critical new periods in the development of international rela-



tions', the constant alarms and the frenzy of the newspapers in East and West, that they no longer care a hoot for the spectacle at the 'bar of the United Nations' (Churchill recently called it a quarrelsome fowl-run). In their role of 'taxpayers', they 'accept' every Military Budget in advance merely in order to be left in peace. Nevertheless prevention is better than cure: on October the 10th, our chronicler Thomaser notes:

'What Assistant-Secretary Saltzman betrayed on Thursday [take it with a grain of salt: the man is "betraying" open propaganda secrets! E.Z.], namely that one had to reckon with the fact that it might not be possible to avoid a war [!] with Russia, is symptomatic of the true opinion of the "Anglo-Saxon" leaders [in our opinion, the true opinion was expressed by Marshall and the "innocent" Truman! E.Z.] otherwise expressed only in whispers, off-stage. The next day Winston Churchill said the same to his party, the Tories. John Foster Dulles, Dewey's adviser on foreign affairs, and Dr. Phillip Jessup, official spokesman for the United States on the Security Council, spoke in a similarly serious strain during the week under review.'

Terrible things therefore can be expected, the 'finis' now having been written, 'the proceedings opened on an international scale', and the conflict has been securely shelved in the Security Council. It is fascinating:

'Of course, it must be said that useful as the work now being done in Paris is in the matter of establishing beyond dispute the facts of the Berlin case and the responsibility for the crisis, the international public has yet to hear what the Security Council intends *doing* about it. The debates on this question are once again being conducted behind closed doors.' (Thomaser on October the 10th.)

Yes, and there the matter will rest! And as to what the Security Council intends *doing*? It intends to enjoy the 'tension' and to see how the efforts of the 'small nations' under Bramuglia (Argentina) and the Lie-Evatt Plan (a couple of stage props) affect simple-minded souls and help to consolidate the partition of Germany. Meanwhile progress and culture forge ahead, and a few reports culled from a mountain of material bear witness to this fact:

Dr. Pünder told the bizonal economic parliament that the costs of occupation were appreciably (!) higher than the relief that Bizone might expect from the Marshall Plan (D.P.D., Frankfurt a.M.). Expressed in terms of accountancy: Employment is being given to Allied labour under the guise of relief.

The Russians temporarily lifted the Berlin blockade in order to allow the import of—a guillotine. The counter-blockade had cut them off from the guillotine which was in the British sector. They turned to the French, who ordered the prisoners in the Tegel prison to build a new one. Out of gratitude for receiving a guillotine, the Russians sent the Tegel authorities a set of Chinaware (U.P., Berlin, October the 7th). The unity of West and East in all real questions of life and death is gruesome!

England send head-hunters by air (of such stuff is progress made!) from Borneo to the Malay Peninsula, where she had in vain tried to defeat the 'communist' rebels. Thanks to head-hunting there is hope of putting a stop to the activities of the rebels in a comparatively short time. (A.P., Singapore, October the 23rd.)

Two American firms (Fawcett Publications Inc. and McFadden Publications) will get from E.C.A. next year, money earmarked for Germany, to pay for 'comic-books', detective and 'true' love stories. General Lucius D. Clay and General Brian Robertson have guaranteed the convertibility of the

receipts of both publishing houses in Germany up to 87,000 dollars. (Special report by E. A. Morrow to the *New York Times*, Berlin, November the 5th.) The worst American muck and Hollywood films are going to see to it that Germany makes a perfectly successful recovery under the Marshall Plan.

At that moment, the destiny of China, in the sense given to it by Marshall's Mission, is being settled. Official circles in Washington at once reckoned on the probability of the 'formation of a coalition government in which the parties backing Chiang-Kai-shek would unite with the Communists'. (A.P., Washington, October the 30th.) Holland then starts in Indonesia 'police action' of such unheard of character that, in order to distract attention from it, a comedy similar to that occasioned by the Berlin crisis was required in the United Nations Assembly. For at the back of the Dutch murderers of Indonesian freedom stands good old Uncle Sam busy 'organising' Asia as well as Europe and just now busy preparing the Ruhr and Occupation Statutes, hiding behind the 'Messieurs'. Thomaser impressed by the inner connections between events in Europe and Asia, now writes on the 19th of December:

'Since the De Gaullist "landslide", the Fourth Republic has, it would appear, put it into its head to go back to the notorious "Order JCS 1067" of the "Joint Chiefs of Staff" that formed the point of departure for the policy of the victors. In this order, General Eisenhower received instructions "to undertake no steps that (a) aimed at the economic recovery of Germany or (b) could in any way be adapted so as to strengthen German industry". This is the disastrous order by means of which the Morgenthau Plan for Germany was put into effect at the time, and the "spirit" of which dominated the conference of the Allied leaders at Teheran, Yalta and Potsdam. The failure of the Ruhr consultations amongst the Western Allies, as well as the previous week's spectacle of the fruitless negotiations of the three "Western" Military Governors in Frankfurt with regard to an Occupation Statute for Western Germany confirm [!] once again [!] what George E. Sokolsky wrote recently in his "column" (which appears in hundreds of American newspapers):

"It is interesting to note that all [!] diplomatic arrangements by the West have ended in a fiasco. (Sokolsky's immediate concern here is only with China for which, with the handing over of Manchuria to the Bolsheviks, the Allies prepared the same fate which they later designed for the German and entire European East and South-East.) The cause of this is, of course, the fact that the victorious world powers are not guided by any [!] principles. But without the acknowledgement of certain generally accepted principles, neither a real peace nor any lasting arrangements whatever is possible. Since they cannot fulfil this obvious pre-requisite, the Statesmen behave at their conferences like blind men wandering through a forest. They inevitably stumble at every step, and it cannot be long before they collide [!]. Thus and no differently do matters stand at the moment. But things need not be like that, and if only respect for international law could be restored [as though it could be shown that at any time, anywhere, such respect had been given in earnest! E.Z.], we would find our road through."

Only because the victorious powers have acknowledged no guiding principle other [!] than expediency, have violated international law with impunity, and have been allowed to play an arbitrary [!] game with peoples and countries without so much as a by your leave and with a complete disregard for their real interests—only for this reason, according to Sokolsky, could matters have come to such a pass that Poland (together with the entire Balkans) came under Russian domination, that Manchuria became a Soviet sphere of influence, that half of Korea fell to Russia, that half of Europe (including half of Germany) disappeared behind the "Iron Curtain", and that, finally, "one country (Russia)



could reach such an overwhelming strength in territory and human resources that a just peace became an impossibility".

From the moral point of view, the way Thomaser-Sokolsky have drawn up the account is so good that it would be superfluous to add a single word. But from the objective political point of view, the following additions and qualifications have to be made:

In the first place, the Allies are not *going back* to what constituted the point of departure of the Morgenthau Plan, but they are *carrying out* this plan amid difficulties and obstacles in accordance with circumstances. 'Plans' are guiding outlines and can never under any circumstances be realised at one stroke. The essence of such plans does not consist in sharp and precise formulæ such as 'complete pastoralisation of Germany', but in the prevailing tendency which, though in the case of the Morgenthau Plan manifesting itself propagandistically in relation to Germany, it is true, leads to the suppression, colonisation, etc., of industrially developed countries or countries capable of industrial development (Germany, Japan, China are in the front rank) and from here necessarily to the control of the whole world. In practice it can therefore happen that to the 'complete pastoralisation' is added separation from the most important agricultural areas and overpopulation of the non-agrarian areas due to the influx of 12 million refugees. These are measures which were *not* foreseen in the Morgenthau Plan proper and appear to contradict it so long as the more ideological detail of the 'pastoralisation' of Germany (and not the consolidation of conditions of dependence, furthered and guaranteed by such measures much better than they would otherwise be) is regarded as the main point. It is perfectly true that the 'spirit' of Order JCS 1067, which put the Morgenthau Plan into force, already dominated the conferences of Teheran and Yalta. But this tells us only half of what is needed in order to understand the matter correctly. In reality the Morgenthau tendency is much older, and that it found its first expression in Russia and Germany can only be ascribed to the concrete line of historical development of capitalism as a system that subjugated the whole world. One section of the political and ideological leadership of the world has blindly succumbed to the tendency, another (which includes practically all the 'progressives') follows it with greater or lesser reservations. Yet it is not as a consequence of people's 'ill will' that this tendency again and again manifests itself in ideas and results: it is of the innermost essence of capitalist development in its stage of decay. Whoever cannot fully overcome it in consciousness, nor understand that capitalism is gnawing at its very *vitals* and can only be kept alive by artificial means, can cross himself twenty times a day before this development—he none the less remains its slave or simply its passive victim.

In the second place, it is incorrect to say that the victorious powers 'are guided by no principles'. They are acting logically and consistently in accordance with the principles laid down in Order JCS 1067, about which they had agreed at Teheran and Yalta. The, as it were, guiding principle of the guiding principles, was, to use Thomaser-Sokolsky's own words, 'to violate international law with impunity, to play an arbitrary game with peoples and countries without so much as a by your leave and with a complete disregard for their real interests'. The only correct statement is

that they have no guiding *moral* principles and have, for that reason, all the more to appear trailing clouds of morality. (As an exhibit: that 'scrap of paper', the Atlantic Charter.)

In the third place, it is self-evident from what has been said that it is not only that a 'just' peace (a moral abstraction!) has been made impossible, but that such a one was never in the least intended.

In the fourth place, the consultations among the Western Allies in connection with the Ruhr did not prove to be a failure nor were the negotiations concerning an Occupation Statute (West German State) completely fruitless. A few days later the Ruhr Statute appeared at the German table as a Christmas present, bright as a new pin, and the West State and East State were lying just around the corner.<sup>13</sup>

In the fifth place, all Western diplomatic arrangements since Yalta have ended not in a fiasco, but in complete success. The following seemingly paradoxical statement thus introduces the conclusion of the Interim Balance Sheet:

America and Russia, the two star-performers in the post-war diplomatic tragi-comedy achieved *nothing* in the multitude of conferences because since Yalta they had already gained *everything* they wanted. The purpose of the tragi-comedy, staged for the benefit of the audience, consists in demonstrating to the deceived peoples that the 'desirable' is the 'inevitable', and additionally that there is *no possibility* of making any changes under the (carefully pre-arranged) given circumstances. On the other hand, the secret negotiations revolve round the stabilisation of conditions, the continuance of the old plans, their detailed working out, and the satisfaction or rejection of the claims and wishes of the junior partners (England, France, Belgium, etc.). Naturally, all this does not proceed without friction and inessential changes. Each one holds a couple of small trump-cards which allow of occasional combination with his other partners. Thus M. Bidault was able on one occasion (when he had been offered much too little) to turn against General Clay, and 'stepping out of line' to deliver amid the most frenzied excitement his 'sensational' statement to the effect that danger of war did not exist. We are moving in a circle—it is the Interim Balance Sheet which returns to its starting-point: the continuous action of the Morgenthau tendency, overriding all unavoidable quack remedies and the 'West-East' unity (the form which hidden complicity has given to the none the less existing conflicts), revealing the danger of war to be so much bluff for the period under consideration. The positive result of the secret negotiations finds its reflection in the negative result of the public performance, and can be distributed in the following way:

(a) At the end of the war the most urgent problem that faced the Allies was the question of what was to be done with the millions in Asia and Europe who were expecting the fulfilment of all the promises that had so lavishly been made to them. To leave them to their own devices and to give up the means of controlling them (that had been almost automatically established under the pressure of war) would have been dangerous in the extreme. Both for Stalin *and* the Allies, the best solution was to let them

<sup>13</sup>Thomaser will tell us about the virginal outlines of the West German State in his own words, in the 'Appendix'.

vanish behind the 'Iron Curtain' and 'be consumed' by Stalin to the best of his ability. The frontiers then demarcated in Europe and Asia have not been altered in the slightest by any subsequent conference or secret treaty. On the contrary, Stalin, under hypocritical protest from the 'democratic' world, has since simply consolidated all the positions then ceded to him. Here again, the taming of the masses of resisting peoples was not the least weighty consideration. Stalin's domination of half of Europe and an important part of Asia (e.g. *industrialised Manchuria*, and *industrialised North Korea*) was in itself a guarantee against any significant revival. And this, of course, entirely suited the interests of the most purposeful fraction of the American bourgeoisie. It was a deal equally advantageous to both sides, but which, in our accounting, has nevertheless to be recorded as a 'public' defeat for the Western world and a Russian victory in secret negotiations.

*First plus for Stalin*—established at the outset and surrounded by great varieties of noise only because of its consequences for the peoples concerned.

(b) On the basis of accounting appears, as against this, foremost Western Germany and Japan, with their great economic importance, then Southern Korea, Greece, the Middle East, etc., where the 'democracies' similarly maintain positions traded to them from the beginning. A Russian advance towards Iran is easily repelled. Stalin silently withdraws overnight, allegedly under 'moral pressure' from the rest of the world (so the *New York Times* described it again recently). 'Public' Russian defeat and Western victory in secret negotiations.

*First plus for the 'democracies'*—it is all a matter of arrangements of long-standing, now surrounded with all sorts of noise only because of their consequences for the peoples whom they affect.

(c) The Russians want to be included in the international control of the Ruhr, and oppose the formation of a West German State. None of the 'conditions' for lifting the Berlin blockade are fulfilled—the old arrangements (partition of Germany) remain in force assuming only definitive form in the struggle about matters of detail. 'Public' Russian defeat and Western victory in secret negotiations.

*Second plus for the 'democracies'*—surrounded with an exceptional amount of noise this time, once again only because of the consequences for those affected by them.

(d) Stalin organises the East German State and the Danube conference to which the democracies, through participation of their representatives, give 'authenticity'. It is merely a formal ratification of the previously established status. 'Public' defeat for the West and Russian victory in secret negotiations.

*Second plus for Stalin*—also surrounded with an exceptional amount of noise only because of the consequences for those affected by these arrangements.

(e) The whole of China comes under Russian influence. This is a triumph for the line of policy *officially* represented by Marshall since 1945, viz. the policy of a coalition government between the Kuo-min-tang and the 'Communists'. The accent is not so much on the 'coalition government' as on the prevention of any independent development in China. This would be an inevitable consequence of a successful national movement which also would

make a clean sweep of Chiang's corrupt regime, and would go counter to American interest. In spite of this, on the basis of accounting a 'public' defeat for the West and a Russian victory in secret negotiations must be recorded.

*Third plus for Stalin*—surrounded by every kind of noisy propaganda because, in the first place, a stronger resistance in the American bourgeoisie itself had to be overcome, and secondly, the downfall of that old war-comrade Chiang had to be made to look plausible (after all, he had rendered us great services and had defended China's freedom against Japan for fourteen years, remember!).

(f) At Potsdam President Truman gave an assurance to the effect that the United States had not the slightest appetite, neither for the tiniest bit of territory (!), nor for so much as a penny. Still, even without an appetite, it is possible to gulp things down, and at Potsdam a few days later, Truman 'for the first time' in his career stated that the United States would *retain* or *acquire* such points of defence as were 'necessary for the full protection both of our interests and of world peace'. When, after this, America staked her claim to an entire island empire, the Russians, 'surprisingly' enough, let it go through without a murmur. 'Public' Russian defeat and American victory in secret negotiations.

*Third plus for the 'democracies'*—what the Lord delivered to them amid the noise of cannons, that they will simply keep for the defence of their interests (the defence of world peace rightly takes second place in Truman's statement!).

\* \* \*

This intentionally quite arbitrary scheme for drawing up the accounts (no different negative-positive result would emerge from any other scheme, and only the result is of interest) allows for the ready inclusion of everything, quite literally everything, that can be found out in connection with interests in oil and raw materials (e.g. in Latin America, the Middle East and Indonesia, where the good old Uncle Sam grants 'assistance' everywhere, and where the oil interests, in particular, deserve a long chapter on their own), with profiteering, jobbery, intrigue, corruption, secret arrangements, forced labour, prisoners of war, deportation of civilian populations, 'employment' of former Nazis (most reliable people in the fight against the internal enemy!) by the Russian-Western Allies, suppression of 'communist' colonial uprisings, etc. (not forgetting the ideological rubbish about eternal Christian ethical values, and the moral 'protests' against so much filth!). The Interim Balance speaks for itself—it remains only to throw light on the events in China-Indonesia, and to show how the 'interests' of Uncle Sam are involved in the results there achieved. Four American witnesses will take care of this matter.

The *New York Times* of January the 17th, 1949, published an article by C. L. Sulzberger (dated Geneva, January the 11th) entitled 'America's Policy-makers divided on Blocking Soviet in Asia'. The article is a most remarkable piece of journalism and already in the title refers to the factional struggle in the American bourgeoisie, which sometimes make it so difficult for that faction which in the long run always wins, to take the besieged fortress by storm. The significance of the matter makes it impossible to avoid (extensive) quotation and comment.

'The United States is firmly and primarily committed to rebuilding the strength of Western Europe. But the high living standards of Europe [quite the rule in Europe! E.Z.] are certainly to a degree dependent upon the availability of raw materials and cheap labour in Asia and Africa.'

A beautiful confession made without the slightest trace of self-consciousness! His glorious history has brought the white man so far that the only possible conclusion he can come to is that he must at all costs preserve the cheap labour of Asia and Africa. What the high standard of living in America is dependent on, is not mentioned. To continue:

'Although old-fashioned [!] colonial imperialism is considered out-moded, a recovering Europe cannot do without sources of wealth in areas menaced by the U.S.S.R.'s new drive for "popular democracy". If France, the Netherlands [!] and Belgium were suddenly restricted to their continental territory (or Britain to the United Kingdom and the Dominions), the Marshall Plan would swiftly be a failure.'

What is omitted is that in order to prevent the 'failure', the Marshall Plan must with iron logic include the protection of sources of wealth and the preservation of cheap labour. To continue:

'The two most important factions disagreeing on how to face this problem, can, according to reliable information here, be summarised in this fashion:

(1) One group believes that something concrete and dramatic should be done to start a "containment" policy in Asia. This group... argues that if the Soviet Union gained control of all China (and probably thereafter Indo-China and Malaya) it would be impossible for the United States and its allies ever to win a war against the Soviet and its allies. To build up a force immediately and to bolster sagging anti-Communist forces in Asia is the desire of this faction.

The proposed military commitments are, under present circumstances, in excess of United States military capacities. [This, by no means, means the end of the energetic protection of the Asiatic sources of wealth and cheap labour however! E.Z.] But the "action" group argues that it is now necessary to hold on to Japan and, if possible, South Korea, by force. [On this matter they are in complete agreement with the whole of the "Progressives" who simply can't wait to put the noose around their own necks! E.Z.]...

(2) The opposing group argues that this is an hysterical and short-sighted view. They believe that Moscow would desire to see the United States stampeded by fear [!] into further international commitments. Their thought is that the Kremlin hopes the United States can be induced to waste its resources and exhaust itself by becoming more and more involved all over the world by filling leaky buckets such as Berlin [!] or China [!]. This faction argues, it is said, that a Truman Doctrine for the Asiatic Continent [which means in this connection, exclusively China—and Berlin! E.Z.], with commitments to support fixed positions and governments, would be playing Moscow's game.'

It would be impossible to 'argue' in a more primitive and meaningless fashion. Every word reminds one of the method of arguing used by Stalin who, indeed, was godfather to the secret negotiations, and happily leaves it to the 'progressives' to look like idiots while the opposing faction really plays the game consistently to the end. The substance of all this twaddle is that the China problem is being solved in the spirit of the Marshall mission—in the other undecided Asiatic position (Berlin) the possibility of selling out is left open. To continue:

'The "cautious" group believes that Washington chose wisely in deciding [!] that America's primary interest lay in strengthening Western Europe (and, incidentally, the overseas possessions). This policy already has been carried out effectively for months [!] in the Truman doctrine and the Marshall Plan and is about to be crowned by an Atlantic pact.'

This is the admission that has the greatest value: 'The Marshall Plan, which 'incidentally' also strengthens America's overseas possessions and hands China over to Stalin, has been carried out 'effectively' for months. In other words: America's effective China policy *forms part of the Marshall Plan*, and the people are now being informed by Sulzberger of 'every phase' of the negotiations and secret negotiations and of each point of agreement and disagreement between the retrospectively conflicting groups. Congratulations to Mr. Stoddard and the gentlemen of the *Staats-Zeitung*! Each phase is in fact simply the execution of the Marshall policy as officially introduced in 1945 (Yalta was the secret date). The 'information' signifies that America's decision was a wise one and has been carried out effectively for months. To continue:

'Furthermore, this group argues: "Why should we get involved beyond our capacities? Let's let Russia make that mistake. If it is too big a problem for us, with our vast wealth and industrial capacity, it is certainly too big a problem for Moscow."

Where will they find the leadership cadres? How will they give economic support? Already Soviet commitments in Europe are lagging far behind promised schedules. Their deliveries, for example, in Czechoslovakia, are negligible. The standard of living in Eastern Europe is being inexorably lowered because Russia cannot bear the burden. Think what will happen in Asia.'

One should remember once for all: What William Vogt, Marshall and Washington regard as 'indispensable' will occur in Asia. The gentlemen are now blurring out what they knew long ago. America, as the most powerful pace-maker for the Morgenthau tendency that lies along the road of the general retrogressive development, *had* to prevent a new upward movement in Europe and Asia if she was to retain her dominating position in the world. Insofar as a Fascist regime was required in order to carry out this task, she *had* to entrust it to Stalin, whose system, both economic and political, provides internal guarantees to carry on the downward movement. With this purpose in view, she could not go beyond certain limits without weakening the regime of Stalin itself from within. And she therefore had to share the rest of the task with her junior partners, while at the same time fighting with them over the question of rations. The brutality with which the 'cautious' group throws out the formula that contains the secret of the situation as an argument is shocking. And the triumphant undertone because the 'desirable' is becoming unavoidable: The standard of living in Eastern Europe is being *inexorably* lowered! (Haven't we managed that beautifully! Aren't we in a magnificent position!) Think what will happen in Asia! (Don't we know what we want?) The pretence that the cunning manoeuvre will be to Stalin's disadvantage is so much moralistic-ideological rubbish and only makes the association with the devil Stalin (don't tell Thomas Mann about it!) all the more disgusting. The rough calculation at once passes a merciless sentence on half of humanity, but the argument does not remember them with one syllable and proclaims only its triumph. This triumph indirectly condemns at least half of the surviving half of mankind to unprecedented suffering, but by sinking the standard of living they will receive as a consolation the lie that the 'high' standard of living is dependent upon the wealth and cheap labour of Asia and Africa. For the rest, the 'cautious' faction still believe that after the first flood of enthusiasm for communism in Asia has ebbed, the problem of 'Titoist nationalism' will



emerge on a mass scale. Belgrade's heresy is considered to be only a symptom of what can be expected in the East. Not once do the suffering multitudes appear in these consolatory speculations as anything else but the victims, unworthy even of mention, of a coldly calculated strategy. The speculation is intended to mitigate the brutality of the decision and to throw sand in the eyes of people; it does, however, not affect the demonstration of the fact that the surrender of China to Stalin was consciously prepared by Marshall and Washington. On the contrary, Sulzberger confirms this in his conclusion:

'An essential fact, however, remains certain and this must be of comfort to the Marshall Plan nations of Europe: There is no thought of abandoning the programme already so well started on this Continent in favour of Asiatic adventures.'

Naturally, everything depends on the interpretation of the word 'adventure' but one can be reassured: After the pirates had boarded the Chinese ship from every side and had brought it to the point of sinking, they ran away from the adventure, abandoned the sinking ship and swam intimidated to Indonesia. And there Drew Pearson (a person whose 'column' appears, like Sokolsky's, in many American papers, and who has made the production of 'revelations' his life's work) picked them up on the question via Washington, from where he wrote on January the 27th:

'Some diplomats suspect the State Dept. is talking loud about forcing the Dutch to pipe down, while playing footsie with them under the table.

Last week, 12 Senators drafted a resolution supporting U.N. positions against oppression. Most of the resolution repeated [!] U.S.-U.N. demands that the Dutch release political prisoners and retreat to their original lines.

The Senators added a clause, proposing that if Holland did not comply, all Marshall Plan aid be cut off to it and the Dutch East Indies. The U.S. has cut off E.C.A. aid to their Indies, but not to European Holland.

When the State Dept. heard of this, Acting Sec. of State Lovett slipped to the White House and sounded the alarms. Senate Sec. Les Biffle called Senate majority leader Lucas and Sens. Pepper and Johnson.

The resolution, they were told, would be embarrassing, would they please kill it.

No explanation was given for State Dept. opposition. The resolution was almost identical with the position already taken by the department at Lake Success. Pepper, new on the Foreign Relations Committee, and on intimate terms with the President, asked that his name be withdrawn. Most others declined to fall in line....

#### *How Dutch Finance War*

"The Dutch have told Field Marshal Montgomery in Europe that they can't afford to assume their proportionate responsibility under the Defence Pact because of the heavy expense of operations in Indonesia, which in one year cost the Dutch 436,000,000 dollars.

That year, Holland received 476,000,000 dollars of Marshall Plan funds. So the U.S. really is paying for the war in Indonesia..."

Comment at this point would only cause confusion, or rather, it should be left to Dorothy Thompson who, in the *Neue Volkszeitung*, at the end of January or beginning of February (the date on the cutting I was able to get hold of is unfortunately missing), probably gives what is at least part of the explanation of why the State Department thought the 'killed' resolution undesirable at the time:

'Since the Government of the United States has committed itself to support of the Indonesian Republic, and a considerable section of our Press, as well as of broadcasts, is attacking the Dutch as exploiters of Indonesian resources, it

should also now be established whether it is really the case that there is no American who has a personal interest in the matter.

In this connection Congress should *investigate a trade agreement* which it alleged was concluded in Havana during January of last [!] year [one perceives the ever-present "long hand"! E.Z.]. Those who took part in this agreement were—as representatives of the Indonesian Republic—Dr. D. Soemitro, New York Trade Commissioner for Indonesia, and three Indonesian Ministers, Messrs. A. K. Gani, A. Maramis and H. Laoh. Their partner in the negotiations was a New York business man.

I have never been able to find out whether the representatives of the Indonesian Government have ever ratified this agreement. But I have seen the agreement itself. It is *the most scandalous* offer that a profit-seeking business man has ever dared to make to an allegedly independent State. Should it go through, it would mean that almost *the whole of the wealth of Indonesia* would fall into the hands of a single American company, and under conditions such that the Indonesian Republic would shoulder the burden of whatever risks were involved, while the company was guaranteed a net profit of seven and a half per cent. It relates to every single commercial transaction which would be carried out between the United States and Indonesia within the framework of a monopoly of export and import—and this without prejudice to other prospects of gain which are not in the least to be despised.

According to this, the company will be *the sole representative of the Republic for fifteen years* in all negotiations concerning American interests. This relates to every field in which Indonesia must rely upon American financial, technical or any other sort of assistance: that is, all plans, authorised by the Government, or undertaken by the Government, for the development of industry, all domestic undertakings like new transport schemes, hydro-electric schemes, etc., including the negotiations for the raising of loans connected with these projects. In addition, the company would still be entitled to payment for its "services".

In the preamble to the agreement, the Indonesian Government makes clear that the conflict between the Dutch Government and the Republic has cut off all supplies from abroad. In consequence it feels it imperative to get into touch with friendly [!] far-sighted [!] American business men without delay.

Hear! Hear! One is quite ready to take over an area that is one of the world's richest in raw materials, and *naturally, in the name of human rights* [protection of resources and cheap labour while avoiding adventures! E.Z.], and with the noble intention of providing Indonesia with a flourishing economy for the first time!

It appears that such individual Indonesians as took part in the arrangement of the agreement will get preference shares at a ridiculously low price, but none, of course, will be allowed to vote. Their profit will be guaranteed by the total import and export trade between the two countries....

A contract of this nature has however further consequences: it would necessarily allow the American company to levy a percentage share on all purchases and sales that other American importers and exporters might conclude with the Indonesian Republic. Add to that a percentage share of those specific commodities which the Government of the United States must itself buy to fill up stockpiles....

And now once more a sidelight on China and the faction squabbles. On February the 28th, Drew Pearson reported a dispute between the Secretary of State, Dean Acheson (Marshall's successor), and Representative Judd at a 'secret' session on the China policy:

'Acheson declared U.S. policy of keeping China "free and independent" hadn't changed.

"Then why have you cut off aid to China?" demanded Judd.... "Our Chinese policy changed when Pres. Truman sent George Marshall there to establish what the administration called 'peace and unity'."

"That meant coalition with the Communists and when the Communists move in independence goes out. They increased their holdings in China five times by the end of 1946, while we denied arms and supplies to Chiang-Kai-Shek."

Acheson, still cool, retorted that much of the aid Judd spoke of wasn't used

to fight communism, but went into the pockets of Chiang's lieutenants; it was preposterous to ask our taxpayers [this *deus ex machina* always appears at the psychological moment! E.Z.] to continue subsidising the Nationalist leaders.

"Corruption in China," fired back Judd, "is petty pilfering compared with what we did at Yalta, where we handed control of Manchuria to Russia after China had fought off the Japs for 14 years."

"Your concept of what happened at Yalta," snapped Acheson, "and what is happening in China is so far from mine, it is useless to argue. I'm not going to change your mind, and you're not going to change mine."

"Well, that's one thing we can agree on," replied the gentleman from Minnesota.<sup>14</sup>

The charmed circle has been closed on both sides, but the Interim Balance would be incomplete without a hint as to how it can be broken. No miracles are to be expected from the word 'resistance', and yet it contains the solution. Once again the Progressives must be told: at the worst the policy of the governments will be made completely without your consent—determined rejection, on the other hand, already by itself provides that 'positive' engagement for which your souls yearn. All politics directed towards making a change begin with propaganda which envelopes consciousness in every sphere and prepares it for practical-political resistance. There are many loopholes in the closely woven net inside of which mankind struggles. We must learn to widen them and to tear them open. One has already made a great rent in it once one has formulated the task and has sharply taken a stand. One has to begin with the very simplest of things: by non-participation exclusive responsibility is placed on the Governments. If in Germany, Japan, China, Indonesia, Africa, etc., this is called 'Nationalism' by the oppressors and their ideological lackeys then it is not for us to 'defend' ourselves with a bad conscience like the Herren Stämpfers, but simply to answer calmly:

And why not? Our good cause is not spoilt simply because you attach the label of your firm to it. It may be that we shall not be able to hinder you effectively for a long time to come, but what you do has to be done without us.

#### APPENDIX

A great many things could be said on the question of the present and future 'successes' of the Marshall Plan. What we actually read in small print under the sensational and lavish promises of the headlines are empty effusions into which one can read anything one likes, such as, for instance, the one of General Lucius D. Clay's, which appeared in a survey given out by A.P. from Berlin on the 5th of March:

'Germany is still a long way from being able to stand on her own feet. The adverse balance between the export and import necessary for her existence is being made up by the United States and will cost a billion dollars by the end

<sup>14</sup> After this article had been written came the last message from the Chinese theatre of war. Drew Pearson, 21st of March: 'General MacArthur sent the Army Department a report urging the United States to do business with the Chinese Communists. He recommended that the Military Government in Japan be allowed to buy coal and coke from the North Chinese pits, which are now in the hands of the Reds. . . . MacArthur urged that trade with the Communists continue because it would save the American Government about 35 dollars per ton on coal and coke which went to Japan.'

of the current financial year. During the next financial year it will be less of course, but even then it will still be much too great. In the next financial year one will already see symptoms [!] of an improvement in the economic position, and there will be good grounds [!] for supposing that the Bizone will be able over the next four [!] years to reach a satisfactory level of industrial production without needing extraordinarily great help from outside.'

In the same survey, Norman Collison, assistant-chief of E.C.A. for Western Germany, is quoted as saying:

'We ought not to fall under the impression that the goal of the recovery programme [complete with compulsory dismantling! E.Z.] can be reached in Western Germany even if only approximately, unless the Germans put everything they've got into it. Germany must follow a programme of maximum exports even though it will mean many sacrifices, and at the same time, cut down her own [!] consumption to the absolute minimum necessary for subsistence.'

Obviously a programme of maximum exports demanding many sacrifices will help enormously to the achievement of an improvement (and to helping the country to assume steppe-like features): There springs to mind at once the export of coal, scrap, timber and dismantled factories, all of which are recognised by experts to be completely 'wasteful'. Having digested these 'symptoms of improvement', we now have enough 'good grounds' for inquiring in what the recovery of Western Germany, advertised in the headlines, really consists. Here again we come up in the first place against the following:

'Under the E.C.A. Programme, the standard of living of the [!] Germans will [!] go up ten per cent. during the financial year beginning July the 1st, and even so, will be about 27 per cent. below that of 1936.'

In truth, one can really feel now that one has reached the topmost heights of standards of living (even if we were to say less 27 per cent., less 10 per cent., less a variable number of juggled per cents.), but *why* has the recovery far surpassed *all* expectations as the headlines of the New York *Staats-Zeitung* claim? (The survey itself states only that the recovery of Western Germany has surpassed *the* expectations.) Without leaving out a single word, the grounds on which symptoms of improvement *will* be noticed (N.B., during the *next* financial year), are the following:

'Industrial production has already exceeded the target set for June, 1949. To be more "precise": "Although the Communists are trying to incite the German workers in the Ruhr against the Allies, the coal mines are establishing production records." To be quite precise: "The German people are to-day enjoying a stable currency, which is more than can be said of some other countries." [That's why the world economic situation has also shown such a terrific "improvement", suffering as it does, amongst other things, from an enormous lack of freely convertible currencies—a position in which Germany also finds herself! E.Z.]. As American officials have declared, the German Mark to-day has a purchasing power which can very well stand comparison with the Swiss franc. The shops in Germany are full of goods: clothing, motor-car parts, cycles, fruit [fruit goes well with cycles and motor-car parts, since eventually it also serves as a "means of conveyance"! E.Z.], wireless sets, kitchen utensils, electrical appliances, and furniture of every description.'

Which thoroughly exhaust all the 'good grounds' and brings us to the dessert. This consists in the discovery of further evidence for the assumption: 'German exports should [!] reach a value of 800 million dollars in the current year, seven times that of 1947.'

This clearly invites the question: If German exports during the current

year (1949) should, at 800 million dollars (an extremely questionable measure of value if only because of the inflated dollar rate of exchange), be *seven times* as large as those of 1947—who has been using false figures? Associated Press or Mr. Stampfer who put the total value of German exports for 1947 at 222 million dollars? It is indisputable that seven times an export value of 222 million dollars gives a value of roughly fifteen hundred millions, while, conversely, a seventh of 800 million is in the neighbourhood of 115 million. The solution of the contradiction—whether due to individual miscalculations or to deliberate falsifications—is the realisation that figures or ‘statistics’ as such are useless unless they are carefully evaluated from every point of view, integrated into the essential context and interpreted from a uniform aspect. The simple counting of sheep is a kind of ‘statistics’ that does not concern us, but the figure of 800 million not only creates an impression wretched beyond all expectations, it is also directly misleading irrespective of whether it is true or false. For what does any figure signify when we bear in mind that, for example, according to the calculations of a United Nations report, world export prices had more than doubled during the period 1938 to *end* of 1947, and had increased by a further 9 per cent. in the first quarter of 1948 (the report published in August, 1948, does not go beyond this date)? Or what does the percentage comparison with the 1936 standard signify when all conditions have altered and every standard of comparison has disappeared? Both signify only that editors of newspapers present any sort of rubbish whatever to a public which, to be precise, understands its whole plight as little as the generality of editors and writers themselves.

An apparent digression on the question of the Press is in order here—apparently only, for we will see that it is relevant to the matter and is its hidden soul. The next question runs as follows: Why are responsible newspaper men so eager to foist the rubbish given out by news agencies on to their readers day after day, when one can only touch the stuff (to say nothing of ‘enjoying’ it) without harming oneself if one is protected by rubber gloves (i.e., appropriate knowledge and commentaries)? The answer is: because the task of the Press in bourgeois society is, whether its Managers are aware of it or not, *to keep the people in a state of permanent confusion* by publishing ‘all the news that’s fit to print’ (so runs the motto of the *New York Times*). It does not require much imagination to guess what it is that appears ‘fit’ to print. The press, by suppressing numerous ‘unfit’ items of news (news items in the sense of total content of the papers), emulates the statesmen who deal with all publicly inconvenient matters in secret negotiations, and even in public negotiation do not always show much respect for the truth. It is certainly true that in the newspapers there are a lot of good things mixed in with the bad, useful material side by side with worthless lumber, real knowledge, honest conviction and truth as well as much illiteracy, demagoguery and lies. But it is just this that perpetuates the general confusion: for there is scarcely one reader in 10,000 who is in the position to distinguish truth from falsehood, or to keep track of the deception in all its manifestations and ramifications. There is an old saying to the effect that clear separation is better than indiscriminate mixture—two truths to eight lies are worse than no truth at all, in the same way as semi-literacy is worse than illiteracy and a half-truth worse than a whole lie.

Books, periodicals, schools, the radio, the cinema, etc., also do an enormous job of stultification, but no force contributes as much as the press to the diffusion of poison under the guise of 'popular education', concerning which Talleyrand as adviser to Napoleon could say: 'Popular education is the best means of making the people so *confused* that they will obey us blindly.'

An unwitting jester in Switzerland once declared in his pitiable rag: 'Let us manure our soil copiously with Opti-Mist.'<sup>15</sup> Though what he had to offer was a shattering disappointment, his cheerful aphorism lays bare the mechanism of the press. The very newspapers who throw the Opti-Mist (the character of which has here been revealed) at the heads of their readers, simultaneously supply them with the complementary Pessi-Mist—and all without so much as a hint as to how the whole Mist is to be handled. To stick to the New York *Staats-Zeitung*, a paper far more important for German-speaking Americans than its social-democratic and other counterparts, we find the A.P. survey, opti-mistic beyond all expectations, literally (i.e., according to the lay-out of the page) surrounded by an article in which Edmund A. Thomaser groans:

'It certainly seems now that the Bonn Collegium will have to begin again from the beginning. The planned State cannot be made impotent enough for the French, and under French pressure, the three military governors have ordered the "Parliamentary Council" in Bonn to mutilate their constitutional draft, after its difficult birth, in a more vigorously "decentralising" sense for the sake of the foreign policy of Paris. It is grotesque that the order for further decentralisation refers just to *financial* (and thus to a certain extent to economic) policy, which—as even the otherwise miserable Potsdam agreement admits!—is in our day least of all compatible with decentralisation. General Koenig—and Clay and Robertson are unfortunately also taking part in the deplorable game of follow-my-leader behind the French—insists on making of the projected West German State a helpless parasite living on the eleven Länder. At the same time the generals have vetoed the inclusion of the two and a half million Berliners of the Western sector into the Federal Republic. [Quite right. The fate of the Berliners is still in the lap of the secret negotiations! E.Z.] With this the disappointments given the German people during the week under review, by the victors, on both these cardinal points of the new order in the West have at last [one must read: as usual! E.Z.] cast another profound shadow on the radiant [!] picture of a German future under the regime of Washington's "new constructive policy" which had been drawn in the preceding reports.

... The "recommendations" [read, orders] of the Military Governors for the revision of the Bonn constitution present themselves in any case as an outright victory of the French point of view on the most heatedly disputed point of controversy (that of financial policy). There can be no question any longer of financial sovereignty for the planned West German Federal Government after the reported "compromise." ...

How the Anglo-Saxons could, to please the Messieurs, deprive the future German federal authority of the most important decisions in financial policy, and thereby refuse them the necessary means for fulfilling their obligations to the victorious powers, is, for the present, a riddle. That is, if we are not to assume that London and Washington really wish to collect the costs of occupation (and, later, get reparations) from the individual Länder, some of which have populations not much larger than that of our Bronx.

... But in truth it is a mere sham-state that is being formed in Western Germany, a State which neither has an independent internal economy [!], nor is allowed to export independently [!]; a State without any foreign policy of its own, and therefore without any diplomatic missions or consulates anywhere in the world.'

<sup>15</sup> There is an untranslatable word play in the original here, 'Mist' in German meaning 'manure'.



Excellent. But that Thomaser continues to have confidence in the Atlantic Pact and is interested in the furtherance of so many other deceptions is (to quote his own words) 'under such circumstances' and 'in the light of historical experience', indeed not 'completely inexplicable', though it paralyses all his efforts. Nor should he complain of the 'systematic misleading of the American people by the organs of public opinion' so long as nine-tenths of the *Staats-Zeitung* consists of the most atrocious provincialism and systematic misleading (with the best will in the world one cannot give a different verdict). Americans are fond of the saying: Charity begins at home! Well, this applies also to morality and cleanliness!

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#### C.O.D. or F.O.B.?

Lt. Anatol Barsov, who, with another officer of the Soviet Air Force, fled from the Ukraine to the American zone of Austria in a bomber plane in October, was handed back to the Russian authorities in Austria this morning. Lt. Barsov... was returned to Austria a week ago having stated that he wished to go back to Russia.

... According to an American statement, Lt. Barsov was taken to the bridge by an officer of the American military police and delivered in return for a receipt made out in English and Russian...

According to eye-witnesses the Russian officers were in high spirits, but Lt. Barsov himself appeared on the whole to be indifferent. He was dressed in an American lounge suit and had \$33 and 3 cents.

*Daily Telegraph*, September 1st, 1949.

# OPEN LETTER TO DR. ALBERT EINSTEIN

## EDITORIAL PREFACE

IN the early summer of 1949 a new periodical, *Monthly Review*, appeared on the shelves of American news-stands and bookstores. An introductory statement of aims and purposes by the editors, Paul Sweezy and Leo Huberman, proclaimed with studied ingenuousness that the purpose of the magazine was to set forward the socialist point of view. A reading of this, and subsequent issues, left no doubt that this 'socialist point of view' consisted mainly of a collection of apologiæ and various shades of information and misinformation, all conceived to convince the reader that if the Soviet Union and its international apparatus are not perfect, they are at least the nearest thing to it, and above all not to blame for their imperfections. This, of course, came as no surprise since Sweezy and Huberman both have long and consistent, if undistinguished, records of following Stalinist policy through its many twists and turns, always acclaiming with the one hand and apologizing with the other.

One article of this first issue of *Monthly Review* was a short statement by Albert Einstein, explaining why he is in favour of socialism, and what socialism means to him. Judged solely on its own merits, the statement is an excellent one, and we commend it. But we deplore the obvious implication that Einstein's endorsement of his conception of socialism is synonymous with an endorsement of pro-Stalinism in the manner of Sweezy and Huberman. For this reason, the editors of CONTEMPORARY ISSUES have sent the letter printed below to Dr. Einstein, with copies to a number of newspapers and periodicals. A covering letter stated our desire and intention to publish, unedited, any reply made by him or by any spokesman he might designate. To date no answer has been received.

It is incumbent upon Dr. Einstein to take responsibility not only for the printed words accredited to him, but also for the implications of these words. For too long a time, Einstein has avoided such responsibilities. He is credited with having persuaded Roosevelt of the feasibility of the Manhattan project which led to the atomic bomb. This he has never denied. Yet, as a self-styled pacifist and former member of a pacifist organization, he refused to work on the Manhattan project. Again, Einstein considers himself a humanitarian, and this is apparently sufficient justification in his eyes to lend his name and prestige as a sponsor of any conferences and committees which *might* be for good causes. In at least one instance he has given his name to two organizations founded to advocate completely opposite conceptions of a foreign policy for the United States. Still, Einstein has cynically refused to accept responsibility for his actions by clarifying his views. Professor Einstein apparently believes in the prevailing double standard: one standard for politics, and another for the fields in which one is competent. He asks that his dilettante political excursions be taken seriously, while disclaiming responsibility or need of any public accounting

whatsoever, but he would not dream of jumping on and off theories in physics without fully and generally presenting a rigorous explanation.

*Dear Dr. Einstein,*

*The extreme insight and lucidity of your article in the initial issue of Monthly Review has created an unfortunate paradox, the nature of which is so disturbing that we, the editors of CONTEMPORARY ISSUES, feel compelled to bring this situation to your attention.*

*Were it not for this above-mentioned lucidity we would have dismissed the use of your name by Professor Sweezy et al. as but another regrettable misapplication of the extreme specialization that characterizes our present society. That is to say, we would have regretted that the foremost physical scientist of our era was sufficiently untutored and naïve in the social and economic sciences as to endorse the centralized, totalitarian, planned state in the name of socialism. This we would have done, and we would have laid the major part of the blame at the door of the compartmentalization of knowledge peculiar to the prevailing culture.*

*But such cannot be the case. Your knowledge, and your eminently correct evaluation of socio-economic problems in the abstract is aptly demonstrated even in the short article under consideration. We especially commend your anthropological approach to the problems of modern society, and the clarity and correctness of your presentation of the rudiments of an analysis of capitalism.*

*Here particularly we call your attention to the following: 'A planned economy which adjusts production to the needs of the community, would distribute the work to be done among those able to work and would guarantee a livelihood to every man, woman and child. The education of the individual, in addition to promoting his own innate abilities, would attempt to develop in him a sense of responsibility for his fellow men in place of the glorification of power and success in our present society.'*

*Here you state the socialist ideal. We would ascribe no extraordinary significance to these remarks were it not for the organ in which they appear. Sweezy and Huberman (their associations, loyalties, and 'ideologies' are a matter of record) make clear the orientation of Monthly Review in the introductory editorial by such statements as the remarkable euphemistic commitment that 'we do not accept the view that the U.S.S.R. is above criticism, simply because it is socialist'. Otto Nathan's pseudo-analysis of 'Transition to Socialism in Eastern Europe' is another example of Goebbelsian truth and honesty.*

*The case is not yet complete. It still remains to contrast your above-quoted remarks with the facts of the U.S.S.R., where production is planned, not for an 'adjustment to the needs of the community', but (like the other imperialisms) for destruction of competitors and for perpetuation of monolithic tyranny, both of which aims entail depression of the living standards of the community; and where the education of the individual, rather than 'develop in him a sense of responsibility for his fellow men', as you would seem to desire, merely glorifies the ruling caste, and actually suppresses truth—and falsifies it—in the interest of preventing heretical dissension.*

*You then pose the essential problem in the abstract form, and again you are right so long as you remain in the realm of the abstract. The article*

*reads, 'Nevertheless, it is necessary to remember that a planned economy is not yet socialism. A planned economy as such may be accompanied by the complete enslavement of the individual. The achievement of socialism requires the solution of some extremely difficult socio-political problems; how is it possible, in view of the far-reaching centralization of political and economic power, to prevent bureaucracy from becoming all-powerful and overweening? How can the rights of the individual be protected and there-with a democratic counterweight to the power of bureaucracy be assured?'*

*How, indeed, Dr. Einstein, in the light of these problems, can you conclude observations so searching by saying, 'I consider the foundation of this magazine to be an important public service,' and thus lend the immense weight of your prestige to the 'objective' supporters of a state wherein 'a planned economy as such has been accompanied by the complete enslavement of the individual', and wherein 'bureaucracy' has become 'all-powerful and overweening'? And how, above all, can a man of your demonstrated political acumen perpetuate a travesty of truth by doing this in the name of socialism? The blame for the harmful effects of your apparent naïveté must fall, not on an imperfect society, but on yourself.*

*In default of a reply to this open letter we cannot merely charge you with lamentable and deleterious lack of judgement in application of correct politico-economic theories. Instead we must insist that on the one hand you hypocritically warn against the abstraction of the bureaucratic-despotic planned state; while on the other, you consciously and willingly give your aid to the supporters of the actual manifestation of this very same despotism.*

The Editors of CONTEMPORARY ISSUES.

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### Spare the Rod and Spoil the Plebiscite

Mme. Kuzmenko, secretary of the Soviet Garment Workers' Union, was asked at an international women's day celebration in Leicester last night whether a concentration camp existed in Soviet Russia. She replied, through an interpreter: 'The Government is elected by the people, and prisons do exist to re-educate people and make them understand that they are wrong to go against the people's Government. Those who are against the majority, of course, we punish.'

*The Times*, March 21st, 1949.

# 'POST-WAR FREEDOM'

REPLY BY C. P. MAYHEW

Cambridge.  
30th June, 1949.

Dear Sir,

Reference the enclosed cutting from your issue No. 3, Vol. 1.<sup>1</sup>

I wrote to my M.P. about this matter and received the enclosed Foreign Office letter from him.

Apparently the girl did not actually serve the sentence, although her statements were of a quite sensational nature. In the interests of fair play, I think you should make your readers aware of this—it would only require another short paragraph.

The reading of private letters by officials remains, of course, highly objectionable, though the British Government would justify this on the grounds that German conditions are abnormal.

Yours faithfully,  
J. W. SHAW.

The Editor,  
CONTEMPORARY ISSUES.

Foreign Office,  
S.W.1.  
27th June, 1949.

CG1678/51/184

Dear Symonds,

You sent me on the 26th May the enclosed letter from your constituent, Mr. J. W. Shaw, about the Court case reported in the newspaper cutting he attached.

I have had enquiries made and find that the newspaper report, possibly as a result of its brevity, gives a somewhat misleading impression of the case. The case in question is one heard in May of last year in which a certain Fraulein Helga Stichtenoth, aged nineteen, was charged before the Control Commission Summary Court, Hamelin, with disseminating a rumour calculated to alarm or excite the people contrary to Military Government Ordinance No. 1. It is true that the charge related to an extract from a letter which she wrote to Brazil in May, 1948, but the report rather glosses over the contents of the extract which led to the charge. This extract read as follows:—

'Every day you think you might starve tomorrow. Tomorrow perhaps the Tommy will come and take your furniture, your linen and your clothes.

<sup>1</sup> *Post-War Freedom*.

Hamelin, September 1.—A German Court here has sentenced a girl of eighteen to three months' imprisonment for stating in a letter to relatives in Brazil that the British authorities had treated the German people shamefully. The Court sentenced her on the grounds that she had spread malicious lies and rumours.

*Manchester Guardian*, September 2nd, 1948.

You cannot imagine this life. The actual truth is that everything is being taken away from the Germans. Things are taken out of the houses, shops are requisitioned with all their goods, etc. At night on the streets Germans are stripped and attacked. They are stripped to the skin and left standing naked.'

Moreover, although Fraulein Stichtenoth was sentenced to three months' imprisonment the sentence was suspended on condition of her being of good behaviour for six months and was, in fact, not served.

Yours sincerely,

(Sgd.) CHRIS MAYHEW,

Parliamentary Under Secretary.

Major A. L. Symonds, M.B.E., M.P.

[*We admire Mr. Mayhew's outstanding ability for missing the point.*—Ed.]

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### The Ivory Power

Hanover, September 12th.—The German Social Democratic Party to-day praised 'the greatness of Britain as an occupying Power'. A statement by its press service said: 'For people who are able to observe how those in power bear themselves modestly, humanely and simply, it is a real æsthetic delight to observe the greatness of Britain as an occupying Power.'

*Manchester Guardian*, September 13th, 1949.



Frank Martel

## THOMAS MANN'S ECKERMANN

### REJOINDER TO PROFESSOR MARCK

THOMAS MANN delivered a speech on Goethe at Roosevelt College, Chicago, whereupon a group of students published a statement revealing the turncoat activities of Mann, who tried successfully to make at least financial arrangements with the Hitler regime. In reply to these accusations Siegfried Marck, a professor of philosophy at the college, wrote the following article in the campus newspaper, *Roosevelt Torch*, May 23rd, 1949.

#### I

This was a great and unique event in the history of Roosevelt College. We will hardly see another man who combines poetry, the enrapturing style of the novelist, the ingenuity of the analyst, and at the same time, philosophy of history and politics. He has both a fighting and a sceptical spirit, kindness and irony, Faustian and Mephistophelian features, and tries to create a synthesis of the old and the new world.

Though some people do not like the word 'dialectics', it is indispensable to characterize both Thomas Mann and the figure of his lecture: Goethe. Unity of the opposites, several characters in one—this is the most simple formula of the logical and psychological significance of dialectics.

#### ARTISTIC SOVEREIGNTY

In the Goethe lecture, the dialectical scheme: thesis, antithesis, synthesis was handled with artistic sovereignty. The thesis, Goethe's enlightened humanism; Goethe as the representative of the liberal-bourgeois era. The antithesis: Goethe's 'aristocratic radicalism', with which he anticipated Nietzsche and joined the conservative pessimists of the past with their Machiavellian and Mephistophelian features. His synthesis: Goethe as the friend of life and love, overcoming the all too German and romantic flirtation with death and destruction. The optimistic and to a certain degree pragmatistic attitude made the old Goethe a friend of the young United States and can be called democratic in the broadest meaning of this term.

#### TOO BROAD?

Is it a too broad meaning which makes the concept of democracy unpolitical? Perhaps. Thomas Mann has always remained the 'unpolitical man', even when and especially when he interfered with political issues. Furthermore the arch-enemy of Hitler who inexorably criticized the Germanic roots of the Nazi-disease can never cease to be a German. Friends and enemies of his political activities should use the utmost caution in trying to label him. Narrow-minded and petty dogmatists will never be able to understand Thomas Mann. President Sparling, in pointing out to the Broyles commission that he was proud to have Thomas Mann at the advisory Board of our college replied at the same time to some dogmatists

who have criticized Thomas Mann from an entirely different viewpoint.

But let us follow Goethe and not waste too much time on sterile polemics. On April 28th, 1949, the sun of Goethe 'stood in conjunction with the stars': Roosevelt and Thomas Mann.

## II

Nineteenth century physics postulated that the universe was composed of matter in motion. With the great new scientific advances of our time it has become increasingly evident that this definition must be altered so as to read: The universe is composed of madmen in motion.

Against the background of such general cultural declination, intelligent readers must greet the publication of Professor Marck's cool, brilliant, closely reasoned 'analysis' of Thomas Mann with burning enthusiasm. Its publication was indeed 'a great and unique event' in the history of—philosophy. Read once again this pithy, pretty, precise definition of dialectics: 'Unity of the opposites, several characters in one—this is the most simple formula of the logical and psychological significance of dialectics.'

At last, more than one hundred years after the death of Hegel, a heavy thinker has appeared who has added so much to the Dialectic that he would fain eclipse his master. If there exists somewhere a perverted sceptic who doubts that the psychological significance of the Dialectic is to be discovered in the existence of 'several characters in one' let this mad dog be forewarned that empirical evidence is easily obtainable: a visit to any insane asylum will yield its quota of dialectical bipeds—the schizophrenics. Other manifestations of the Marckian dialectic are to be found among actors ('several characters in one'), liars and thieves, who are, if big ones, in bourgeois society at any rate, honest people, especially when they only steal.

In his enlightening discussion of the triadic movement: thesis, antithesis and synthesis, Professor Marck again displays the same ability to make exiguous distinctions coupled with those occasional coruscations of unconscious wit which characterize the whole piece. It is apparent that Professor Marck has 'grasped' the essence of the dialectic and applies its rigorous methodology in a truly universal fashion. No one will ever accuse him of being 'narrow-minded' or a 'petty dogmatist'. Everywhere one looks (even under the bed) one finds examples of the Dialectic. In the interest of science a cartographic compilation of the Marckian categories is presented below:

<i>Thesis</i>			<i>Antithesis</i>			<i>Synthesis</i>		
Lox	...	...	Bagels	...	...	Prof. Marck's stomach		
Ice cream	...	...	Ices	...	...	Prof. Marck's taste		
Amos	...	...	Andy	...	...	Prof. Marck's mentality		
Mutt	...	...	Jeff	...	...	Prof. Marck's philosophy		
Blondie	...	...	Dagwood	...	...	Prof. Marck's method		
Rita Hayworth	...	...	Aly Khan	...	...	Prof. Marck's democracy		

Well-armed in this manner, Professor Marck remarks with great subtlety and insight: 'Thomas Mann has always remained the "unpolitical man", even when and especially when he interfered with political issues.' Herein is contained the very essence of Marckian Dialectic: the sentence contains

a contradiction—in fact, it makes absolutely no sense at all. But only 'narrow-minded and petty dogmatists' can possibly object! One feels the urgent need to paraphrase Professor Marck and to say: 'Though some people do not like the word "shit" it is indispensable to characterize both Siegfried Marck and the figure of his article: Thomas Mann. Unity of several and even all kinds of food in the world in "one" word—this is the most simple formula of the logical and psychological significance of "shit".'

Carping critics (and let us never forget that many great psycho-analysts have pointed out the relation between critics and madmen) may ask: How does it come about that Siegfried Marck who obviously knows nothing about philosophy yet remains a professor of philosophy? These fools do not realize that this is a *bourgeois* dialectical contradiction and therefore enables Professor Marck to make a living. He has certainly shown that he understands the dialectic not only backwards and forwards but sideways as well—yes, 'especially' sideways.

However, there is some hope in all of this, for as Professor Marck so brilliantly concludes: 'But let us follow Goethe and not waste too much time on sterile polemics.' Indeed, the Professor has the Dialectic completely sterilized, and if he did not have 'several characters in one' and would proceed to accept his own suggestion, *viz.*, 'let us follow Goethe'—if, let it be repeated, he would only follow Goethe to his present abode then the 'sun of Goethe' would stand 'in conjunction with the stars': the dialytic of Marck and the 'especially' unpolitical 'fighting spirit' of Mann, who 'can never cease to be a German' and yet to become a Wallace-American, which is, after all, to 'a certain degree' a truly 'pragmatistic attitude'. (Warning: 'Use the utmost caution in trying to label' the stars. They 'will never be able to understand' what they are shining about.)

<sup>1</sup> In this connection one is rather surprised that Professor Marck did not illustrate the dialectic in yet another fashion. The transformation of a thing into its opposite is most obvious if the word *political* is read backwards—*laciſilop* is obtained.

### Transcending Idealism

Mr. Alfred Edwards, the member for East Middlesbrough, writing recently of his conversion to Toryism, said the policy set out in the 'Right Road for Britain' was good enough for him; that it embodied the ideals he had held throughout his forty years' membership of the Labour Party. Old ladies in Cheltenham and the Cavalry Club, it is said, have been asking in perplexity and indignation what kind of a Tory policy is this which promises to realize the ideals that a man has cherished during forty years in the Labour Party.

Our London Correspondent,  
*Manchester Guardian*, September 1st, 1949.

# GERMAN RESISTANCE TO-DAY

## 1. COMMENT

IN the Editorial to CONTEMPORARY ISSUES, No. 3, we remarked in another connection on the importance of demonstrating 'to what extent democratic awareness has experienced its stultification... on contemporary matters'. This, at first sight, negative task, is intimately related to the positive process to be initiated of establishing a world democratic movement of content for it increasingly shows the urgent need for such a movement—putting the axe to all forms of complacency. Response to our leaflet, 'Occupation Unaltered', on the German elections furnishes further concrete evidence of the failure to understand the basic precepts for democratic thought and action—a failure which at worst is simply roguery or at best formal or empty utterance. Misunderstandings of the consistent view put forward in our statement clustered mainly around our defence of the rights of the 'splinter' parties to political freedoms. What is involved here is that unfortunately our critics fail to grasp the principle that democracy means the right of all to political freedoms—and this is unaltered even if it is true that the 'splinters' in question are reactionary or fascist. Governor Dewey recently had occasion to reiterate<sup>1</sup> this once hallowed basis of the democratic method when he said: 'The rights of free speech and assembly are guaranteed to all regardless of their political beliefs. These rights must be respected, however hateful the views of some of them who abuse them.' His observation was about the rights of the Stalinists to such freedoms in America, and irrespective of the fact that they are emissaries of the most developed fascist danger, with a far more extensive economic and political base in Russia and elsewhere for its imperialist development than the 'splinters' in Germany, the political principles are none the less correct and must be defended at all costs. Naturally, when such freedoms are abused by resort to violence, etc., the fascist groups shall have to be dealt with accordingly—but what must be realized is that it is everybody's right to choose their own field of action and suffer the consequences. It was this conception of freedom we had in mind when we came out against the military regulation that the small groups and independent candidates in Germany had to seek a licence for participation in an election widely advertised as free. We are able to publish on page 316 a first-hand report of what such discrimination meant in practice. Nor are the methods of Military Authority limited to groups labelled 'Nazi' but are used also against opinion on the 'left' which runs counter to the political opinions 'officially' adopted.<sup>2</sup>

<sup>1</sup> *The Observer*, September 4th, 1949.

<sup>2</sup> *The New York Herald Tribune*, August 25th, 1949, reports that the anti-Stalinist Free Communists in the French zone of Germany were refused a licence to form a party or to hold meetings. At an unauthorized meeting the founder of this organization, Karl Heinz Scholz, was arrested.

It is well understood by those who want to understand it how to overcome and defeat fascist groups. If it is true that the 'splinters' represent fascist tendencies 'thinly veiled' then it is all the more important that they be allowed free access to political statement and action so that they might the more speedily expose and discredit themselves in the full glare of public scrutiny. Surely the opacity of the veil increases when by a suspension of their rights the 'splinters' are driven underground? But to contest with fascists democratically naturally carries with it grave responsibility. In so far as reactionary groups can only be overcome socially by *superior example in everything*, the self-praised and self-appointed democrats are required to involve themselves in the whole process of responsible behaviour demanding, among other things, true and objective accounting of political and economic developments and actions that are progressively beneficial to the community at large. In the absence of such commitment to responsible behaviour the only course open is the one chosen—the resort to the methods of power politics.

We concluded our election statement with the definition that 'politics is the science of fixing responsibility where it belongs', and what we said in it was the outcome of its application. Since then the debate in the House of Commons has provided further proof that it is the avoidance of responsibility which is the mechanism at the heart of power politics. That not one Minister of previous or present Cabinet rank was able to give any satisfactory account of, or to indicate where responsibility really lay for the momentous decision to enforce unconditional surrender on Germany, with the indescribable misery that it has meant and still continues to mean for millions of people, and by repercussion increasingly for the peoples of the whole of Europe, is an outstanding example of the criminal delinquency of contemporary politics. Nor must we allow Mr. Churchill, in the debate, to get away with the contention that Roosevelt (his ally whilst alive, his alibi when dead) was alone responsible—for such a way out is indeed shameful. We only have to recall his statement in the House on February 11th, 1943, to see how blatant is his attempt to evade responsibility: 'It was only after full and cold, sober and mature consideration of these facts . . . that the President with my full concurrence as agent of the War Cabinet, decided that the note of the Casablanca conference should be the unconditional surrender of all our foes.'

How can we expect from such Governments or from their agents in Germany any responsible attempt at genuinely overcoming fascism? The process for its defeat, as described above, is to be initiated by us and individual citizens who think like us, by standing against official politics and propaganda for an independent political movement that undertakes responsibility. Inasmuch as the election in Germany was yet another device by authority to evade and deceive, our attitude was naturally one of boycott. But it must be remarked here that, in developing such an attitude, we had no illusions whatever that we could immediately affect the outcome of the election. Every attempt is to prepare the future. 'It is our task . . .', we wrote, 'patiently and truthfully to explain.' But the actual nature of the positive response to our leaflet was very interesting, and theoretically anticipated by us—it was an all-sided response involving people from all classes. It is the

nature of national resistance movements that all classes come in to struggle against the single oppressor, whether in the form of Military Governments or the autocratic State. In CONTEMPORARY ISSUES, No. 2 (Winter, 1948), it was stated: 'In the general economic development toward increased starvation in the field of consumption *as well as* in the means of production larger and larger sections of the total population, whatever their individual reasons for it, come into a life and death struggle... As the State encroaches on the heterogeneous freedoms, it generates discontent throughout the tones and half-tones of the social scale.' That was written about statification in England and the resistance to it which is only in process, whereas in Germany the development is a bitter and tragic reality. Correspondence, reports, statements, etc., from Germany fully vindicated our anticipation for they represent a many-sided reaction—from large and small scale producers vitally involved with the right to produce freely, the middle or professional classes—priests, engineers, doctors, teachers, professors, etc., concerned with freedom of conscience, education and opportunity, without which their practice is negated—to trade unionists, pacifists, socialists and left radicals hampered in their free development. In the framework of military oppression for the colonization of Germany the old conception of the proletarian revolution can be relegated to past history. The common meeting point for struggle is national self-determination without which no democratic freedoms are possible, and it involves all in struggle for a single strategic aim. It is entirely the progressive content of the resistance which matters and not (at this fluid stage) the 'hidden' motives or social origins of individuals and groups. Differentiations, political and other, will grow but *concretely out of each advance in the struggle*. In this way the motives and integrity of allies will be determined. For the moment we publish the most interesting pronouncements, letters, etc., from very different sections of the community in the pendulum of opinion from the 'left' to the 'right'. The letters we publish are a mere fragment of what we received. Nor, having analysed the character of the general response, do we select from the majority of correspondents who heartily approve of our views, but mainly from those who have interesting disagreements with us. In this way we hope to initiate some fruitful debate.

It still remains to comment briefly on the outcome of the elections. The victory of the C.D.U., preferred as it was by America, demonstrates her preponderance in world development, but it reveals also something far less obvious not commented upon by the press. The return of the grouping which represents the social stratum that desires freedom to produce is an indication of the healthy instincts of the masses of the people. In the struggle for self-determination it is those groups with strong economic self-interest in production that can be expected to press more intransigently for economic liberation than the apparatus men of the social democratic movement who depend on bureaucratic positions and salaries from the Occupation Authorities and who are condemned to behave with the required sycophancy. Within the prepared framework of the elections (quite a false framework) the masses of the people did the best they could in choosing correctly those most committed to resistance. But this does not of course mean an end to the dishonesties,

\* 'British Development and the Common Illusion', by Geoffrey Quilter, p. 91



bargains, betrayals—a development only to be overcome by a tempestuous democratic resistance movement of the majority against every form of vested interest and irresponsible authority.

## 2. OCCUPATION UNALTERED

### The Bonn Constitution and the Coming Elections

In order to avoid the danger of 'mis-education' on the question of the constitution and the so-called 'free' Bundestag elections in the three western zones of Germany we must distinguish sharply between what for Germany's envisaged future has been enunciated in the realm of *promises* and what has been worked out in detail as concretely determined *practice*. The preamble to the Bonn constitution is the repository for everything promised whereas Occupation Statute, placing as it does arbitrary authority in the hands of the Occupation Powers, is the blueprint for practice. The preamble and the statute are not only incidentally at variance but the provisions of the latter nullify the 'new democracy', limited as it is by the terms of the constitution itself, thus rendering the new 'freedoms' unworkable on every issue that matters. It is all the more necessary to draw attention to these brutal contradictions because the press and the main spokesmen for the elections, including the official party leaders in Germany, have in their various utterances busily distracted attention from them. Naturally it is very necessary for them to do this as their high office and task is to mislead 'public opinion'. It is equally necessary for us whose task it is to explain truthfully to start to expose these gentlemen. It will be enough to place a few of their utterances in relation to the Statute and the terms of the constitution. We shall juxtapose the ideal and the actual and so grasp the ugly shadow.

Proudly, the Labour Party in its recently-issued discussion statement for the British elections, 'Labour Believes in Britain', affirms 'that three years after victory we decided that the recovery of German economy and the creation of a democratic framework could no longer be delayed'. So too Prof. Reuter, Burgomaster of Berlin, joins in the general chorus of deception by hailing the new move as 'the most important step yet taken towards political and economic independence of Germany'. (*The Times* of April 11th, which also reports that Dr. Schreiber of the Christian Democratic Union and Herr Schwennike of the Liberal Democratic Party spoke in a similar strain.) Nor was the executive of the Social Democratic Party to be left out of the great chorus of progressives in spite of their publicized bickerings. They too 'issued a statement tonight' claiming for recent developments that these 'gave the German people a greater measure of self-government than hitherto'. (*The Times*, April 12th.)

These claims are immediately recognized to be vacuous when we place them inside the framework of Military Statute. What becomes of the 'recovery of German economy'? Are there any alleviations of the policy 'hitherto' adopted of total control over the economic life of Germany to justify a reasonable expectation that a process has been initiated toward greater freedom and eventual independence? The answer, without any need

for qualification, is that there are none whatever. From the Statute it is clear that in the economic policies of Occupation Authority absolutely nothing has been changed nor could it be as 'occupation' and 'freedom' are contradictory. Under the general rubric of 'disarmament and dismantling' which for years now in actions and propagandistically has been used to justify every atrocity perpetrated in Germany, is still included control of 'scientific research' which will no doubt continue to be used also to expropriate German patents in the interests of 'Allied' industrialists, 'prohibitions and restrictions on industry and civil aviation' which makes it possible for Military Authority to eliminate any 'undue' competition by German production. In addition the provisions further include 'control over foreign trade and exchange' as also 'over internal action'.

Where in these large, sweeping cynical measures is there a vestige of anything to justify the supposed progressive change of heart? Nor is this crippling weight of specified arbitrary controls considered enough by those 're-educating' Germany. The agreement of the Foreign Ministers regarding the establishment of 'an international authority for the Ruhr' (*The Times*, April 9th) is a striking confirmation of the fact that dismantling as well as control of German industrial development is uninterruptedly to be practised. Instead of dismantling German industries singly (though doubtless that will still continue) the Ruhr plan deprives the intended German puppet government at one blow of its industrial heart. About this arrangement the *Times* report continues, using the general excuse of 'disarmament and demilitarization', 'that it is an important element in the Western Powers' scheme of security against the renewal of German aggression'.

We must recognize, and we must not tire of repeating, that everything is still arranged to continue military occupation policies as before. The Statute robs German economy of all those essential rights without which it cannot even begin to constitute itself an economy. Arrangements for the Ruhr alone are enough to organize its demise. *It is obvious that the 'maximum possible extent' of freedom declared to be the aim of the Statute means, and can mean nothing more than that the length of the leash may be varied but that the leash itself is guaranteed to remain.* The fluctuations in the military stranglehold will be determined, among many other things, mainly by the economic needs of economies external to Germany—prices, markets, etc.—as well as the extent of the actions or reactions against the will of the parties by the German people.

#### 'DEMOCRACY' UNDER ORDERS

And now what about the much-advertised political freedoms as outlined in the preamble to the Bonn constitution and by its grandiloquent spokesmen?—their claims that they are beginning the implementation of a 'democratic framework', a 'greater measure of self-government', etc.? We could short-circuit any tendency in the minds of our readers to entertain such an illusion by merely asking: How can anyone speak about a constitution as a guarantee or step toward any modicum of political freedoms or right to criticize inside the framework of economic dictatorship? Or we could merely exorcise the chimera by referring to another arbitrary power in the Statute which blandly proclaims that 'the occupation authorities...

reserve the right, acting under instructions of their Governments, to resume in whole or in part the exercise of full authority if these consider that to do so is essential'. Further in the same document, which is untrammelled by any outright grant of a single specific freedom to the German people, is a specification in favour of Military Authority. It is stated that one of the possible occasions for intervention would be 'to preserve democratic Government in Germany'. At this point anyone of reasonable intelligence, excluding always of course the leaders of the official German parties who welcomed the Statute, must boggle at the crass violation of any possible meaning for the word 'democracy'. Whatever else it might mean how can it be understood to mean Government by arbitrary imposition from the outside?

But enough, for it is not necessary to short-circuit anything. The political freedoms to be established through free elections are negated by clauses of the constitution, by electoral agreements, and by actual practices preliminary to the elections. In the existing framework of military rules for 'licensing press and political parties' only those individuals and parties have been allowed to seek office in the coming elections who have been 'approved' or 'screened'. Nor is the touchstone for a 'licence' hard to guess. The action of the executives of the two main parties of the Christian Democracy and the Social Democracy in approving the terms of the Occupation Statute makes it quite clear that the principle for selection is that they shall be men who have proved themselves collaborationists of Military Occupation. Perhaps another qualification is that the gentlemen favoured shall through their actions have made it clear that they also are prepared to violate the new 'democracy' in advance of the elections. At the instigation of the 'leaders' a suggestion was made and approved to 'eliminate splinter parties... and exclude eccentrics from the federal parliament'. (*The Times*, June 2nd.) Nor did they wait to introduce the *practical* machinery for the limitation of party rights through the unanimous decision that 'any party gaining fewer than 5 per cent. of votes, or only one seat in each *Land*, not in the country as a whole, should be eliminated.' (*The Times*, June 2.) Ill fares the democratic principle indeed in the hands of the official monopolists! Nor must Military Government's sanction of the Communist Party of the Western zones mislead us here. It is quite proper to include a colleague committed to occupation, dismantling and other similar policies in the Eastern zone. This exclusion of 'splinters' is not the worst yet. One of the terms approved in the Bonn constitution guarantees a less representative Upper House which will be in a position to nullify any disagreeable measures proposed by the Lower House. A measure about which the *Times* quite rightly writes, 'This arrangement... provides endless possibilities for deadlock'.

*Our brief analysis puts us in the position now to make a true generalization about the new 'political democracy' for Germany. In all its detail it is nothing more than an accomplished farce. Freedom for the people to nominate candidates is interfered with by the system of 'licensing', and any possibility of a freely-elected disagreeable candidate being returned is taken care of by the machinery against 'splinters' and 'eccentrics'. And finally. Any foreseeable further difficulties are provided for by the arranged 'possibilities for deadlock'. Perhaps the last provision more than any other reduces the right of the German people to elect a Government of their own to its real meaning. It is an elaborately devised mechanism calculated to*

*negate every proclaimed freedom in advance—arranged throughout as an unworkable puppet affair.*

We are not in a position to tell the German people what actions to undertake in the period of the elections. It will be impossible at this stage of development to reach an organized decision though boycott seems to be called for. But, *the decisions of the German people can only be their own. None the less, it is our task, one we have willingly and on our own responsibility undertaken, patiently and truthfully to explain.* From our analysis, based upon the facts as published by the press, though contrary to its deceptive interpretations, it is at least clear that the elections are in their nature not the affair of the German people. The signatories to the Bonn constitution itself, and with Occupation Statute as the approved precondition, gave a vote of confidence to the dismantling policy, to the disguised suppression of the German people, and to Germany's continued impoverishment with all the human suffering that involves. It is for the people in Germany to make it clear, in whatever form they choose, that they are not a party to such a criminal action. Such a proper attitude is fully corroborated and justified by the general apathy throughout Germany toward the elections. It will be precisely the task of the official candidates and the screened candidates to attempt to break the apathy to give at least an appearance of 'people's' consent to their ridiculous Government. This appearance of democracy is naturally required to mislead German understanding in future struggles for independence and freedom, but *it is very urgently required by the military to induce opinion abroad into a belief that the western powers are the real torch-bearers of 'democracy'.*

In fact, the whole affair of the constitution and the elections is intended far more for consumption in countries outside Germany. It is too specious a trick to take in any appreciable number of Germans who in any case are on the spot to have a check on it in practice. The move must be seen inside the framework of another pronouncement made in 'Labour Believes in Britain'. 'Labour [in partnership of course with America, France, Russia, etc.] always denounced the old imperialism.' The operative word is 'old'. Direct rule by the military smacks too much of the 'old' imperialism really to satisfy public opinion, but the Bonn constitution is different. It is hoped that behind it and through the allaying of suspicions in the rest of the world present barbaric practices can happily continue.

#### PRE-ARRANGED 'CONFLICT'

Many readers may agree with our analysis of the 'new move' as having nothing in common with national self-determination and freedom while at the same time clinging with unshakeable cynicism to the belief in the necessity for direct military occupation of Germany. One of the main arguments such people adduce for their view is the Russian threat which withdrawal of the Western powers would actualize. But the Russian fascists justify their occupation, and dismantlement of the Eastern Zone, with the enslavement of its peoples, by the propaganda of the Western threat. The moment anyone enters into the framework of power and force-of-circumstance politics that person is lost as a democrat. Nor is such entry based on historical truth. What is conveniently ignored in this type of justification is that the occupation of all zones of Germany is the result of

*mutual agreements* between the Occupiers during and after the war. The whole Berlin blockade nonsense is their own collaborative adventure, though through it the people suffer.

Such partitionism is perfectly congruent with their policies everywhere else. Thus we observe that there has been a symmetrical sharing out of spheres of interest ever since west and east became allies. America takes Western Europe under her wing, Russia Eastern Europe. Russia is allowed to engulf China with practically no resistance. America retains Japan. The appearance and great fanfare of conflict is instituted by each partner to consolidate their conquests by threat of aggression and eventually war. This propagandistic hysteria and staging of incidents serves also the further ideological purpose of schooling the dominated peoples on either side into illusory belief that there is no choice of alternatives other than American or Russian power politics—used also to reduce their standards of living. But the choice is utterly false and can only lead to further uninterrupted misery for those who abet it. We must institute a choice *independent* of any of the power groupings.

*For Germany the only proper development to overcome the threat of Russian totalitarianism and to reinstate the German people democratically is the struggle against all occupation authority for untrammelled economic and political development. Naturally this is not a task that any of the Powers will perform for the German people or for the citizens of the world. It is our task to be undertaken by us in full responsibility.*

But to return. It remains still to mention the most important deception underlying the farce of the constitution and elections for Germany. It will be used mainly to further the preposterous notion of the guilt of peoples in order to hide the guilt of those in power. There is nothing as effective as the old trick of encouraging in men's minds belief in illusions and then fathering upon them at a later stage (in this case the Germans) the blame or guilt for their unworkability. *The attempt is always to shelve responsibility.* On the one hand, every struggle in Germany against continued military 'law and order' will provide Press, Quislings, and Government spokesmen with an opportunity of declaring that the Germans are too ignorant politically, etc., to appreciate and co-operate inside a 'democratic framework'. To the extent that the deceptive constitution is put into effect will the old, brutal propaganda of the 'guilt of a whole people' find effective credence. On the other hand, the continuation of the old policies in Germany will provide more rather than less occasions for unrest and so-called 'democratic infringements'. Thus, the success of the 'guilt propaganda' is deeply assured fed as it is from both ends. *The task is to begin to break it at both ends by establishing a free interchange of responsible opinion and help in actions.*

It is in the hope of initiating such a process that this statement was conceived by and on behalf of those people in America, Britain, South Africa, Germany and elsewhere, associated with the production and publication of CONTEMPORARY ISSUES and *Dinge der Zeit*. It will be distributed to M.P.s, Editors of newspapers and periodicals, and individuals in the various countries, and will be circulated in a German translation in Germany. It remains only for all those everywhere who, like us, realise that *politics is the science of fixing responsibility where it belongs*, to respond in whatever way possible.

### 3. OTHER ELECTION AND POLITICAL STATEMENTS

#### 'Action Group of Free Germans'\*

##### PROGRAMME

I. The roots of our political, social, moral, and economic life have been shaken to the foundations. It is only possible to re-establish effective order: if the principles of Western culture founded on Christianity are put into practice; if the dignity of man is unreservedly recognized and the rights of the individual protected against any authority; if every German in all his dealings lets himself be guided by his obligations to the community; if the German people work together as equal members of the European family of nations for peace and welfare.

The attempts of former parties led by a doctrinaire bureaucracy and with its decisions determined by factional discipline, to create a new order, could not possibly succeed. The responsibility for public life must be transferred to independent individuals who are responsible only to their own conscience and to their electors.

We therefore demand the following:—

(1) Full right of determination of professional representation in legislation for the overcoming of the party monopolies.

(2) High administrative positions in political parties or professional representation is to be forbidden for the members of all parliaments.

(3) Functions of authorities to be abolished, except those that are essential for an orderly communal life to be carried out by state or communal organs, and transferred to organs of professional self-administration.

(4) Party political activity and membership are forbidden for independent professional officials in state and communal administrations.

(5) A judiciary incapable of being influenced by economic or party political interests.

(6) Higher education to be free from ideological and political influences.

II. We see our decisive task in overcoming the social tensions in the German people. The participation of workers in the profits of industry would be an essential contribution to this.

We consider the following to be urgent:—

(1) Re-establishment of displaced persons not only according to the letter of the law, but also carried out so as to be effective.

(2) Fair solution of all war damage problems, and recognition of the legal claims of victims.

(3) Provision of adequate means of life for all whose basis of existence was destroyed by the war and its results.

(4) Severe curbing of public expenditure and severe taxation of private luxury in the interests of efficacious immediate relief.

(5) Unconditional priority for housing over official buildings.

\* The organization with which Pastor Goebel is associated.



III. We believe unreservedly in the recognized principles of the rights of peoples and of humanity.

We require, for an undivided Germany, the right of self-determination and the application of the Atlantic Charter.

We strive for equal co-operation with all free democratic peoples in the service of their welfare, the unification of Europe and the securing of world peace.

(Translation.)

## Neutralization of Germany

### SEVEN THESES AND THEIR REASONS

Preliminary remarks: —

We reject historical comparisons between our present situation and our aspirations, and events like Prague (1947), Munich (1938), Rapallo (1922), as wrong and misleading. The present historical situation cannot be compared with any earlier happening and therefore requires an entirely new approach.

(1) *Thesis*: We recognize the necessity of the Atlantic Pact for the Western peoples. We hope for a lasting and more homogeneous Atlantic Union, west, north and south of Germany. *Reason*: The existence of the Atlantic Pact is the great guarantee for a neutralized Germany, between East and West, so that the Russian offer for the evacuation of Germany may be accepted without any great concern.

(2) *Thesis*: We substantially differentiate between the military might of the Soviet (which can be kept in equilibrium by means of an Atlantic Pact) and the state socialist and world-revolutionary ideology and agitation which will continue to test its propagandistic strength without military aggression. *Reason*: The propagandistic strength of an idea cannot be suppressed. The deeper, the purer and the more social the spirit of the Atlantic peoples is and proves itself to be in its hemisphere by increasing harmony and unhampered peaceful co-operation, the stronger it will be.

(3) *Thesis*: We are certain that the incorporation of Western Germany into the Western Union is not in the true interest of the conquerors of Hitler's Germany, which was based on military expansion, and is not in the interest of European peace. *Reason*: We Germans cannot take sides with one or other of the occupation powers without increasing the danger of war. By such partisanship we would greatly stimulate the rise of hostile groups and civil war psychoses in the midst of our own people. The danger of war would thereby be increased.

Allied understanding with regard to the German question can only develop from the present situation through the neutralization of Germany, and that can further lead to wider co-operation between the world powers in U.N.O. and to the peaceful solution of other questions.

(4) *Thesis*: We are equally certain that the inclusion of Western Germany into the Western Union is in no way reconcilable with the vital interests of the German people; and we warn urgently that our birthright, the unity of Germany, cannot be sold for the mess of pottage of a political

two-thirds adherence to the Western European prosperity sphere and for the empty facade of apparent 'equal rights'. *Reason:* In the economic field we have to co-operate in any case with east and west in order to live; and actually Germany is co-operating with both economically; although this is true for only one-third, or two-thirds of the country to-day, after the restoration of Germany's unity it would apply to the whole country.

We must avoid being drawn *politically* and *militarily* into any system of pacts for reasons of conscience in relation to our unity, our peace and our geographical situation between East and West. The following are the inalienable human and natural rights of the Germans: Their *unity* and their *peace*, their *co-operation* with *all* their neighbours.

(5) *Thesis:* We are convinced that it is only possible for the German population to settle accounts with the Communist Party of Germany in a neutralized country, free of foreign troops, in which more than 90% are non-communists, in a democratic and peaceful manner, paying particular attention to social points of view. *Reason:* 'This necessary internal German accounting would then be more dispassionate and objective as none of those involved, including the K.P.D. and S.E.D., would desire re-occupation of Germany and foreign military intervention.

It would be appropriately the task of a re-unified Germany to create such a *modus vivendi*, a democratic-social community life according to peacefully developed forms of law, it would be even an obligation in the interest of peace in Europe and in the world.

The German people cannot and must not be permanently partitioned nor must they be the *modus* of a permanent 'cold' war or a catastrophic 'atomic global' war.

(6) *Thesis:* We consider the refusal of our West German politicians to confer with the East German delegates in Brunswick to be an act which is not in the interest of European peace. We repudiate this refusal as unpolitical, undemocratic and un-German. *Reason:* It is unpolitical because it forces the Germans in the East into isolation. It is undemocratic because it denies the human principle of direct discussion and understanding co-operation beyond party conflicts. It is un-German because, in practice, it treats the representatives of 20 million Germans as enemy aliens in a state of war.

(7) *Thesis:* As a people in the middle of a divided world we should make the inalienable basic demand that there should be negotiations regarding the neutralization of Germany. If our politicians refused to decide upon this way of neutralization willingly from incorruptible judgement, it would be appropriate to call on the people to participate in deciding their fate.

A plebiscite against any separate state and for the unity of Germany; against conscription and *for economic co-operation generally*; against the participation of Germany in any unilateral pact and *for its neutralization*. Such an unequivocal manifestation of the will of the German people is the need of the hour.

*Reason:* The reply of the German people to this question is also the best reply to the question *of certainty about the attitude of the Germans*. Let them put the proper questions to us, and we will provide the proper answers: *this particular question will evoke overwhelming agreement among the German people.*

This would equally prove that the Germans are prepared to solve the future problem of Germany, that is: to impart to the military vacuum in the midst of conflicting ideas and interests, the reliable character of a truly balanced and self-governing political system in the spirit of courageous and independent surrender to the supreme threefold command which is above nationality and time: non-violence, mutual aid and unprejudiced world-oneness.

*Concluding Note:*

The Western world which to-day still doubts 'us' could not ignore so complete an answer to a correctly asked question. This answer, on the contrary, should be welcomed as the fulfilment of the desired re-education of the German people away from militarism towards democracy.

This question would at the same time fulfil the basic requirement of true democracy, government of the people by the people and for the people.

The reply of the Germans to this question, indeed *the request of the Germans to have this question and this question only asked*, should be regarded as a welcome invitation to a peaceful and permanent settlement of the West-East contradictions in Europe and should be recognized, acknowledged and carried through without delay as the road of goodwill and, at the same time, of commonsense.

PROFESSOR ULRICH NOACK,  
Würzburg.  
April 2nd, 1949.

(Translation.)

## To All Who Have Done With Party Politics

### 'GROUP OF NON-PARTY GERMANS'\*

Millions of Germans are sick to death of party politics. They affirm that all parties, those of the past and those which have returned, are failures. They are all characterized by their inner lack of truth, by contradiction between words and deeds. They speak of democracy and mean their own domination. They call for clean administration and countenance job-hunting and corruption, they speak of social justice whilst promoting class struggle and class hatred.

But they call all that, democracy. There are very few traces of the freedom of political opinion and expression so much desired by all good Germans. New intolerance replaces former intolerance. Only a grotesque distorted picture remains of a high aim.

Now what is the result? Disgusted by the machinations of the parties, countless Germans fall into the old fatal resignation in the spirit of 'Politics is a dirty game', and withdraw from all responsibility for the future of the country. It must not continue thus.

Politics must be restored to its place of honour as the highest sense of responsibility to the people and history. It must be freed from all the evil effects of our time, so that all Germans of character will be able to unite in selfless political work for the benefit of the people and country.

\* The group with which Mr. J. H. von Ostau is associated.

The parties have failed. They have not won the confidence of the people, they have repelled them. Therefore fresh ground must be broken, upon which a true revival of the people may flourish—ground which is not poisoned by unfruitful party bickering nor laid waste by the chase after ministerial and other offices.

In this recognition some individuals have—independently of their former political views—formed themselves into a group which is above party politics, and which will not allow any kind of compulsion whatever from any dictatorial centre. Its task is to elucidate, formulate and overcome the basic problems of our political life, free of all party doctrines and without regard to differences of status, class or religion.

Regarding the decisive importance of the projected Bundesrat, associates of this organization have also decided to come forward as non-party candidates. The few principles of the jointly drafted programme of action are not to serve as dogma, but merely as general directions for the road to be followed on the basis of all already achieved recognitions.

Each of the signatories to this declaration, however, is quite clear about the fact that he is to act solely on his own responsibility and that in participating in the parliamentary work he is to make decisions according to his own conscience and to the best of his knowledge. There should not and cannot be any faction discipline in regard to voting directions.

*Peace, Freedom and Right*, this is the slogan of the men who, equipped with little propaganda material, are contesting the power of the present inflated party monopolies. If therefore you want us to create something new and if in the future Bundesrat you want *personalities* and not party people to represent you then vote for the candidates of the *Group of Non-Party Germans*.

(Translation.)

## The Ten Principles for the Revival of Germany

### 'GROUP OF NON-PARTY GERMANS'

(1) We want a new approach which, liberated from all party dogma, will set as its highest aim true national comradeship and dignity from without and within.

(2) We want the unity of all Germans, independently of race or creed, within the framework of a revived unified country within the frontiers due to us according to the principles of international law.

(3) We want a clean, orderly state with a stable and authoritative government elected by the whole people, based on the legislative co-operation of political and professional bodies with equal rights.

(4) We want equal rights and duties without discrimination for all citizens and thus we want the repeal of all laws, orders and decrees which are opposed to the traditional principles of morality and law.

(5) We want to free our political life of its empoisoning by the liberation of local government from any party politics and by conscious respect for those with differing views.

(6) We want the solidarity of all professions and classes by elimination of all private and state concentration of power as well as of the proletarian class ideas.

(7) We want a new social order through the legally established participation of all producers in the proceeds of production with the full recognition of rightfully acquired private property.

(8) We want young people educated in love of the country and in respect for elders, but also provision for endowments without regard to class origin or material position of the parents.

(9) We want prompt alleviation of want through proper provision for the aged, those unable to work, repatriated, war wounded, and immediate help for those bombed out and who suffered through the war by those who were not affected by the national disaster.

(10) We want reconciliation with all former enemies but through an official declaration of neutrality excluding Germany from any present or future conflicts between States, Powers or ideologies.

The idea of social community is the condition for the realization of these points. It is no use denying our history, but we must learn from the tragic errors of the past.

Without a true revived viable Germany there can be no peace or unity of Europe; without a unified Europe no world recovery.

If you agree with this statement, vote for the candidates of the 'Group of Non-Party Germans' (G.P.D.).

*(Translation.)*

#### 4. LICENSED DEMOCRACY

August 7th, 1949.

Dear Sir,

... Meanwhile, according to a newspaper cutting, a copy of which is included herewith, the non-party election group which intended to take part in the Bundestag elections in Nordrhein-Westphalia under the name of the 'Association of Independent Germans', has been flatly refused a license.

In connection with this, the following events are particularly noteworthy:—

I. The Constitution of the Federal Republic of Germany, drawn up by the Parliamentary Council in Bonn, was announced with great solemnity in May, 1949. The following articles deserve the most careful attention:—

Article 3: (1) All men are equal before the law. (2) Men and women are to have equal rights. (3) No one is to enjoy privileges or suffer disadvantages because of his sex, descent, race, language, native country, origin, creed, or religious and political convictions.

Article 5: (1) Every person has the right to express and to spread his opinions freely through speech, writing and drawing, and to get information from generally accessible sources without hindrance.

Article 9: All Germans have the right to form associations and societies.

Article 11: All Germans enjoy freedom of movement throughout the Federal Area.

Article 20: (2) All power in the state comes from the people. It is exercised by the people at elections and referendums and through special organs of legislation, of executive power and of judicial administration.

Article 21: (1) The parties co-operate in order to give a political form

to the will of the people. The formation of parties is free. Their internal structure must comply with democratic principles. They must give public accounting of the sources of their financial means.

Article 38: (1) The delegates to the German Bundestag are elected by general, direct, equal, free and secret ballot. They are the representatives of the whole of the people, bound neither by mandate nor directive, but subject only to their conscience.

Article 48: (2) No one is to be hindered from taking on and exercising the office of delegate. Dismissal on such grounds is not permissible.

II. In accordance with the resolutions of the Parliamentary Council, the Constitution became law with its ratification by the Landtage of the eleven Laender of the Western Zone. This took place in May.

III. Early in June, 1949, the ministers of the eleven Landtage assembled in Schlagenbad and decided at a session lasting a *single* day to cancel all Articles of this Constitution that were concerned with the coming elections, notwithstanding the fact that they had been so solemnly announced and had become law upon ratification.

Only those parties so far licensed by Military Government were granted the right of participation in the elections; the regulation demanding a hundred signatures from independent candidates was, simultaneously, suddenly altered to five hundred.

IV. Advised by the leaders of the German parties, the Military Governors consented to these decisions which override the Constitution, and authorised the Minister-Presidents to promulgate the decrees in question.

V. The storm of popular indignation, not to mention as the least one the meeting at Godesberg on June 22nd, 1949, gave the Military Governors an occasion for cancelling the decrees mentioned above, and for writing in the press (July, 1949) an announcement to the effect that newly-formed organizations outside the already licensed parties would be allowed to participate in the elections.

VI. Thereupon the newly formed 'Association of Independent Germans' in Nordrhein-Westphalia filed an application for a license with the Military Government in Dusseldorf (July 10th, 1949).

VII. In the course of negotiations with Military Government officials, it became clear that the statutes and programme presented by the 'Association' caused no objections and that all formalities had been satisfactorily fulfilled.

VIII. On July 15th, 1949, the 'Association of Independent Germans' was informed that some proof of a response to them from among the population was required in order to obtain the license. Proof was to be given of at least thirty organized District representations up to July 20th. Considering the fact that people had, through the uninterrupted prohibition of all newly formed organizations, become very shy of giving their signature for an application to Military Government, the fulfilment of this well-nigh impossible request within the stipulated five days, must be considered a unique accomplishment. The effects of the Godesburg meeting, however, were such that, despite certain 'dangers' attaching to the signing of such a petition for a license, many a person was found willing to carry the action through.



IX. During further negotiations with Military Government in Dusseldorf, officials concerned expressed astonishment at the fact that it had been possible to report the existence of so many district branches in so strikingly short a time. It is of particular interest to note that parties that had existed in Germany for nearly four years, as, e.g. the 'Deutsche Rechtspartei', the 'Radikal-Socialistische Freiheitspartei', or the 'Rheinische Volkspartei', were hardly capable of producing evidence of more than ten or twelve district branches within the Land Nordrhein-Westphalia, and yet suddenly got their licenses on a Land basis.

X. Thursday, July 28th, 1949, was the time limit set for the handing in of names of candidates. The 'Association of Independent Germans' was all ready to put up candidates in sixty-six election wards in the Land Nordrhein-Westphalia. This, too, must be considered a first-rate accomplishment in view of the fact so little time was available, and that the persons who had offered themselves as candidates did not yet know whether the license would be issued, and if, in case of refusal, they would not find themselves in considerable difficulties.

Despite uninterrupted enquiries, no decision had been reached at 5 p.m. on July 27th, 1949.

XI. All other parties had their election campaigns going since July 20th, 1949. By delaying the license, Military Government made it impossible for the 'Association of Independent Germans' to engage in any propaganda activity. On the one hand, Military Government demanded proof of a response from among the population, on the other hand, they prohibited any recruiting on the grounds mentioned above. The district branch at Duisberg found itself in considerable difficulties with the local Military Government when it tried to hold a meeting of sympathisers under the name of 'Association of Independent Germans'. The official maintained that the name of 'Association of Independent Germans' was under no circumstances to be mentioned before the issue of the license. How then was it possible to furnish Military Government with proof of a response?

XII. At 5.30 p.m. on July 27th, 1949, at last, we were informed that although the 'Association' had produced sufficient evidence of existing branches, no license was to be issued for participation in the Bundestag elections. No explanation was given, but it was considered that a written explanation would be sent in the near future.

These are the events in chronological order as they happened during the last few weeks.

(Signed) J. H. VON OSTAU.  
(Translated.)

## 5. PRESS RESPONSE AND OUR REPLIES\*

It might be interesting to learn a little more about Mr. U. O. W. Jacobs, 10 Blomfield Court, W.9, who runs something called the CONTEMPORARY PRESS and circulates (with a letter of commendation from a person called E. V. Swart) a four-page leaflet making a violent attack on

\* N.B.—Our replies in this section and those following are printed in italics

the Occupation authorities in Germany and on the Bonn constitution as a contemptible capitulation to the said Allied authorities. I have no doubt that Mr. Jacobs and Mr. Swart are pure Anglo-Saxon democrats. If so it is a pity they should produce (at their own expense, or whose?) a document reeking of Nazism in every line. As it is stated that the document is to be circulated in a German translation in Germany it might be well to consider officially how far that would be beneficial.

JANUS

(*'A Spectator's Notebook'*, *The Spectator*, July 15th, 1949.)

17th July, 1949.

Dear Sir,

We read with some surprise the remarks by Janus in *'A Spectator's Notebook'* on the leaflet *'Occupation Unaltered'*, which was sent to you and distributed here and abroad. It must surely strike one as anomalous, coming as it does immediately after a statement that the Press Commission has vindicated the claim of the press to accurate reporting, that your reporter confines himself to some innuendos of a personal nature (to which we do not feel called upon to reply), and a general description of the leaflet as *'a document reeking of Nazism in every line'*. The consequences of such behaviour are patent enough. It establishes a prejudice against the content of the leaflet before the public has had an opportunity of getting to know for themselves what it is about.

In the interest of fair and responsible reporting, therefore, we request you to publish the leaflet commented on in full. Its content is the opposite of what Janus' remarks would lead your readers to believe. In it the attempt is made simply to analyse the infringements of the democratic rights of the German people by Military Governments, from the point of view of those rights as understood in this country—for instance, freedom of speech, opinion, etc. In which connection it is interesting to notice that you recommend that our freedoms here should be hampered when you write that *'it might be well to consider officially how far its distribution by us in Germany would be beneficial'*.

In the event of your being unable to print the leaflet, would you publish this letter, and we undertake to supply the document in question to anybody who writes to us for it.

Yours faithfully,

E. V. SWART.

U. O. W. JACOBS.

[Published in *The Spectator*, July 29th, 1949.]

## DOWN WITH THE POLITICIANS

### AN ELECTION LEAFLET

*From a Diplomatic Correspondent*

London, Sunday.

A London and New York publishing company, the Contemporary Press, published shortly before the German elections an anonymous four-page leaflet containing the most outspoken attack that has yet appeared on the occupation authorities, the Occupation Statute, the Bonn Constitution,

and the German political leaders. If it achieves wide circulation in Germany (it is claimed that a German edition has been published) it may have serious results.

This leaflet, which is written in stilted English, declares that the provisions of the Occupation Statute nullify the new 'freedoms' of the Bonn Constitution. It attacks all those in Germany—Christian Democrat, Socialist, and Liberal—who claimed that the Statute and the Constitution gave the German people a greater measure of freedom than hitherto.

The writer comes nearest to disclosing his identity when he deplors the licensing of splinter parties. The only parties which cannot get licenses to operate are the overt of thinly-veiled Nazi parties.

The whole question of German responsibility for the occupation is dismissed by implication, out of hand, 'The farce of the Constitution and the election . . . will be used mainly to further the preposterous notion of the guilt of peoples in order to hide the guilt of those in power'. The power of this dangerous leaflet lies both in the logic of the argument—undoubtedly military occupation and democracy are incompatible—and in the total suppression of any recognition of the past history which has led to the occupation.

*The Manchester Guardian*, August 15th, 1949.

August 18th, 1949.

*The Editor,*  
*The Manchester Guardian.*

*Dear Sir,*

We have noted with astonishment the misleading impressions which 'a diplomatic correspondent' has, in your issue of August 15th, been at pains to create regarding the statement on the German elections issued by *Contemporary Press*. To call it 'an anonymous four-page leaflet' is a gratuitous inexactitude, seeing that not only were both our New York and London addresses (viz., 545 Fifth Avenue, N.Y.C. 17, New York, and 10 Blomfield Court, London, W.9) given on the last page of the leaflet, but as long ago as July 13th, a copy of the statement was sent to you, with a covering letter signed by myself, a practice we have followed throughout in distributing the leaflet in England, America, Germany and elsewhere. There was, therefore, no ground whatever for the implicit suggestion that the publication of the statement was in some way clandestine and irresponsible. Further, we wish to repudiate in the strongest terms the insinuation, clearly intended by your correspondent in the passage, 'The writer comes nearest to disclosing his identity when he deplors the licensing of splinter parties. The only parties which cannot operate are the overt of (sic) thinly-veiled Nazi parties', that we have Nazi affiliations. It is only necessary, apart from the content of the statement which in itself is sufficient to disabuse the minds of your readers, to draw your attention to the editorial of *CONTEMPORARY ISSUES*, Vol. 1, No. 1 (Summer, 1948) in which the principles embodied in the statement are clearly and unequivocally stated. This too was sent to you for review at the time of publication.

In the interest of responsible and accurate reporting, therefore, we request you to publish the statement commented on in full. It is clear surely that our serious recommendation that the only proper political behaviour was to

boycott the elections, went counter to the interests of the splinter groups as well, all of which were eager to take part in the elections and in many cases put up independent candidates. This, had we wished to do so, was hardly the most ingratiating overture we could have chosen. But the essential anomaly in your correspondent's interpretation is that he overlooks precisely what we attempted to stress in our leaflet, viz., that free elections presuppose the unfettered freedom of all to participate, the splinter parties included. Our interest in these extends only to the fact of their needing a licence from Military Government, since this is an infringement of the freedoms proclaimed so grandiloquently in the Bonn Constitution. It is a single concrete instance of a violation of our general conception, which, to carry the anomaly further, your correspondent concedes, that 'undoubtedly Military Occupation and democracy are incompatible'. Is it too much to ask of him that he should try to relate the general to the particular? Or is he trying to intimate, by saying that 'if it achieve wide circulation in Germany ... it may have serious results', that democracy be curtailed by suppressing our freedom of speech and criticism, in order that Military Government in Germany be made secure? Democracy it seems is a serious danger!

Your correspondent of course equivocally admits the soundness of our general approach by saying that the danger of the leaflet lies in the 'logic of the argument'. But it is a new departure to attack the argument precisely on the ground of its rationality. One further point: there is no attempt on our part (as he claims) to base ourselves on 'the total suppression of any recognition of the past history which has led to the occupation'. The basic politico-economic reasons for the continued occupation are stated in full. They are the same as those which led to the second world war and are leading to yet another: the brutal attempt to overcome competition on an over-supplied world-market, what the press euphemistically refers to as the cold war.

In the event of your being unable to print the leaflet, would you publish this letter, and we undertake to supply the document in question to anybody who writes to us for it. We trust that this time the 'stilted language' will not lead anyone to overlook the content of this letter.

Yours faithfully,

E. V. SWART.

[This letter was not published.]

*The Manchester Guardian,*  
Manchester.

August 22nd, 1949.

Dear Sir,

We cannot agree with your assertion that it was a 'gratuitous inexactitude' to call 'Occupation Unaltered' an 'anonymous four-page leaflet'. Our correspondent reported that it was published by your firm and was perfectly correct in describing it as anonymous because the name of the author (or ostensible sponsor) is not given. In noticing pamphlets it is not customary in this country, to include publishers' addresses as well as their names.

Our correspondent's comments about the licensing of 'splinter-parties' was perfectly fair. It is well known that British Military Government has

recently refused to grant licenses to such 'thinly-veiled Nazi parties' as the League of Independent Germans.

Yours very truly,  
THE EDITOR.

... Leaflets continued to circulate yesterday urging voters to boycott the elections.

Mrs. E. V. Swart, a representative of Contemporary Press, London, which put out one of the pamphlets, said last night:

'We believe the only way the German people can be reinstated democratically is through a struggle against all occupation authorities.'

*Reynolds News*, August 14th, 1949.

## 6. CORRESPONDENCE

### From England

Kent, July 19th, 1949.

Dear —,

I have no doubt that 'democracy is under orders' in Germany, exactly as you describe it to me, but what can we do about it when we are even more oppressed ourselves, and the mere mention of the matter brings a threat to you from the *Spectator*? No one is more convinced than I am that a widespread and deeply laid political plot is engulfing the whole of civilization, but we can do nothing about it until we have gained power in our own country. This can only be done through the constitution. Please bear with me while I quote:—

"'Common' or 'Natural' Law has lost both its meaning and its sanctions, since the House of Commons, with its Cabinet which is the unitary locus of Sovereignty, has become a rubber stamp for administrative works orders masquerading under the name of Law—a function for which it was never designed and for which it is grotesquely unfitted. It is not without interest and bearing on this aspect of the problem that one of the ablest commentators on "Origins of the American Revolution", John C. Miller, observes: "In rejecting natural law, Englishmen also denied the colonists' contention that there were metes and bounds to the authority of Parliament. The authority of Parliament was, in their opinion, unlimited: the supremacy of Parliament had come to mean to Englishmen an uncontrolled and uncontrollable authority. Indeed, the divine right of Kings had been succeeded by the divine right of Parliament. . . . It was the refusal of Americans to bow before the new divinity which precipitated the American Revolution. . . ."

'The restoration of the supremacy of the Common Law, the removal of encroachments upon it, and the establishment of the principle that legislation by the House of Commons impinging upon it is *ultra vires*, is an urgent necessity. The locus of sovereignty over the Common Law is not in the electorate, because Common Law did not derive from the electorate, and indeed ante-dated any electorate in the modern sense. In the main, it derived from the Mediæval Church, perhaps not directly, but from the climate of opinion which the Church disseminated. . . .

'Since the Whig Revolutions of 1644 and 1688, and the foundation of the Bank of England under characteristically false auspices in 1694, the Constitution has been insidiously sapped by the Dark Forces which knew its

strength, and the obstacle which it offered to treachery. We now have only the mere shell of the Constitution, Single Chamber Government dominated by Cartels and Trades Unions (Mond-Turnerism), based on unitary sovereignty, to which the next step is the secular Materialistic totalitarian State, the final embodiment of power without responsibility. . . .

'Whether by the strengthening and elevation of Common Law, and its repository in the care of an effective Second non-elective Chamber, or by some other method, clearly defined limits must be placed on the power of a House of Commons elected on a majority principle. It ought to be clear to any unprejudiced individual that a majority is *always* wrong in its *reasons* for a given situation, and cannot therefore possibly be right in its remedies, although a homogeneous, native born majority is often instinctively right in its judgement of the *nature* of a situation.'

*Realistic Constitutionalism*, by C. H. Douglas.

To repeat my first words in another way, how on earth can we help Germany until we can help ourselves, when the same dark forces are oppressing both nations, and indeed promoted the war between them?

B.M.P.

August 27th, 1949.

Dear Mrs. P.,

Your letter of July 19th interested us very much though there are many things in it which have to be cleared up. While we thank you for your encouraging remarks on our work in Germany we must point out that we are attempting to initiate a world democratic organization so that our work is not limited to Germany. Like you we are vitally interested and disturbed by political and economic developments in Britain. However, it is not true that we are at the moment 'more oppressed ourselves' than the people in Germany or the colonies. That processes preparatory to further austerity and the political regimentation that must go with it are in fact under way is true enough, but in Britain we are not yet living under fascist conditions. Nor has the present partnership between a State bureaucracy and an increasingly bankrupt bourgeoisie any perspective. It is economically and consequently politically too effete to open up a road of its own. It can neither afford the present limited level of democracy nor win through on to the world market by full-scale totalitarianization for stop-gap solutions as in the case of Hitler and Stalin. Whatever happens in this country—and I agree, unless it is stopped, that there are many ugly things in store for us—will be strictly dependent upon assistance from outside economies. Developments in an enfeebled Britain can be no more than political by-products of events elsewhere retaining always of course, and on the increase, that revered national characteristic of 'muddling through', known in ordinary language as chaos.

I have deliberately put our view sharply in order concretely to dissociate it from your conception of 'dark forces' or 'a widespread and deeply laid plot . . . engulfing the whole of civilization'. The forces driving contemporary society towards its collapse are historical laws of motion (economic, political, ideological, etc.) to be understood and overcome by actions based on such understanding. In some cases there are plots, to be sure, as witness the U.N.O. secret sessions, but these regulate the 'features' of the decay, or how the spoils are to be shared out, and not the laws of capitalist development



itself. It is our view that not only is your idea of history wrong but it is dangerous in so far as it leaves the door open for racial theories of history. But perhaps you could be a little more specific in your next letter as to what exactly you mean.

Apart from the question of Common Law, when you quote from C. H. Douglas to the effect that in our modern society 'the locus of sovereignty is not in the electorate' we agree with you but for altogether different reasons. It is perfectly correct as a statement of historical fact. The electorate has the power only to elect representatives to misrepresent them for five years. But, in contradistinction to yourself, we deplore the limited controls of the majority over public affairs and our interest lies in every attempt both to maintain the right of election and to press forward for responsible representation on the basis of public accounting by every elected functionary to his electorate and their right to recall him should they think fit. In other words, we deplore the limitations and seek in every way to widen the rights of the majority, whereas you are aiming at suspending their rights altogether. Or what do you mean by the quotation that Common Law must have 'its repository in the care of an effective Second non-elective chamber'?

[N.B.—Mrs. P. was desirous of replying to our letter but the reply was unfortunately not in time for this issue.]

Winchester, July 20th, 1949.

Dear Sir,

I have read the comments on your journal in the current issue of the *Spectator*. If you are there correctly reported as being opposed to the new Bonn Constitution and in favour of a strong, independent Germany, I feel that I should like to know more of your writings and activities.

As one who hated the recent war against the Reich, and who believes that a regenerated and nationalistic Germany is the key to a lasting and certain victory over Communism, I feel I may have much in common with you.

Hoping for a word from you in due course.

I remain,

Yours faithfully,

J. C.-B.

Winchester, August 15th, 1949.

Dear Sir,

I thank you for your (mimeographed) letter dated 6th instant.

My sympathies are entirely with you in your opposition to the spurious Bonn Constitution and in your propaganda for a free, sovereign German Reich. There are many respects in which the German claim to be a 'herren-volk' is justified, and for my part I cannot too strongly condemn and deplore the vandalism which stabbed the Third Reich in the back during its struggle with Bolshevism. It was a piece of stinking treachery for which Britain and America may yet pay very dearly.

An Englishman myself, I believe that all the best elements in British character and culture are derived from our Germanic forbears. Perhaps I go beyond you in believing that National-Socialism (with certain cruel and objectionable features eliminated) was preferable to the creaking, unworkable mess known as the Weimar Republic, and might well supersede the

'Parliamentary Democracy' which the Western Nations are now trying to foist on the Reich.

It follows that I am definitely interested in your various publications and activities. I am glad to note that the various 'Right' extremists have not done too badly in the elections, not because I think much of the future of the Bonn swindle but because it is an index of Germany's loyalty to her anti-Bolshevik ideology.

I am, Sir,  
Yours faithfully,  
J. C.-B.

August 27th, 1949.

Dear Mr. C.-B.,

Thank you for your two letters of July 20th and August 15th, and our apologies for not replying sooner. But our leaflet led to more work than we had anticipated and our small forces were overstrained.

From your statements (more clearly developed in your second letter) it is clear that we have only one thing in common and that is our opposition to the 'spurious Bonn Constitution' which is good. But what we cannot stress too sharply for proper clarification is that in all other political matters we are travelling in opposite directions. We were in the past (see Editorial to CONTEMPORARY ISSUES, No. 1, Summer, 1948) intransigently opposed to the Third Reich and still are opposed outright to any contemporary variants of totalitarianism as to all forms of National Socialism which are the economic and political vehicles through which it expresses and organizes itself. We note with abhorrence (in spite of national differences and the stage of development) similar tendencies in contemporary England and America which we have analysed and castigated in our articles 'British Development and the Common Illusion' and 'American Militarism' in the second issue of our journal.

Nor do we see Germany's mission under Hitler to have been a 'struggle with Bolshevism'. Far from being a Bolshevik or Socialist country, Russia was then and is to-day the arch-type of capitalism in its fascist development, so that, for us, the struggle was between two Governments for totalitarian domination of the rest of the world. We are not to be had for fascism and are attempting to develop forces for opposition in the coming period.

It remains to explain shortly our opposition to the recent election in Germany—by the way fully explained already in our leaflet. We were against the election for reasons entirely different from yours. Against it, not because we wish to 'supersede the "Parliamentary Democracy"', but because the election and the constitution were not sufficiently democratic. It was in this framework that our much misunderstood defence of the rights of splinter parties in Germany must be viewed. We are in our political orientation against the politics of any reactionary groups (though to what extent, if at all, many of the 'splinters' penalised by Military Authorities are reactionary remains to be seen, for on these matters as in most things the official press is not reliable), but as consistent democrats we defend their right, as of all other sections of society, to elect candidates, of freedom of speech, party, assembly, etc. Democracy includes the rights of all, even our bitterest enemies, to such freedoms, a concrete democratic reality once achieved by

*bourgeois society at its height but now, alas! increasingly negated in its totalitarian decline. On the question of the democratic principle and method —of which our defence of all groups, the splinters included, to political rights was but one example—we can do no better than follow to the letter the celebrated statement of Voltaire's: 'I disagree with what you say but I will defend to the death your right to say it.' We precisely require the freest possible interchange in order through such interchange—in debate, analysis, etc.—but mainly through public actions to demonstrate to the people at large (not behind their backs by the banning of enemies) the superiority of the progressive path. We refuse to fall into the trap of imagining that one can establish more democracy by conceding less of it through authoritarian methods. Everything must find its settlement in public through the intervention of the public.*

*Naturally we shall be glad to continue sending you literature in connection with our future campaigns, and would welcome from you information related to your political interests.*

Yorkshire, August 14th, 1949.

Dear Sirs,

I was interested to receive your pamphlet on the present occupation of Germany and also your most recent circular sent out under cover of your letter dated August 6th, 1949.

Although I did not find your printed pamphlet particularly convincing, I was interested in the views expressed and the circulation which you have given it. Your second article, however, served only to convince me even more how subjective your writings appear to be. You quote freely passages from national newspapers provided a particular context suits your arguments. On the other hand, however, your newspaper collection seems to be particularly short of such recent cuttings as the one taken from page 3 of the *Sunday Observer* dated July 17th, 1949, in which the varied activities of your friend von Ostau are mentioned in brief under the heading 'Nationalist Stirrings in Germany'. Although I know nothing of the constitution of the 'Association of Independent Germans', I can only assume that this is the seventh attempt of von Ostau to form a neo-nationalist movement, the dangers of which we have already seen during the period 1933-45. Von Ostau states in his letter that parties 'which existed in Germany for nearly four years, as e.g., 'Deutsche Rechtspartei', the 'R.S.F.', or the Rheinische Volks Partei, were hardly capable of producing evidence of more than ten or twelve district branches within the Land N.R.W., and yet suddenly got their licenses on a Land basis'. I suggest that this sentence is misleading as all three parties were granted licenses in 1946 or 1947.

Knowing a little of the German mentality I should not be in the least surprised to learn that if you took the trouble to enquire further into von Ostau's political activity since 1945 you would find that he has been expelled from one of the three parties which he seeks to discredit. Any further information you could give me which would either confirm or deny my suspicions of von Ostau would be greatly appreciated as I am particularly interested in this particular aspect of German political activity.

Yours faithfully,

J.D.B.

London, July 18th, 1949.

Dear Sir,

I acknowledge receipt of your pamphlets and thank you for standing up for German rights and for exposing the Bonn Constitution as a fraud, if such it be.

But I believe you show a gross unwillingness to understand political realities: in particular, the fact that the Germans do not value democracy, and the fact that the Soviet and anti-Soviet Blocs are engaged in earnest conflict. The circulation of this pamphlet in Germany will do nothing to make the Germans want democracy, and nothing to move the Occupation Authorities. It will only serve German Nationalists in their abuse of the Authorities, which will help no one. It is most ill-advised.

Accordingly I do not give you my support.

J.W.

Dorset, July 27th, 1949.

Dear Sir,

Thank you for the leaflet 'Occupation Unaltered'.

I had already noted the passage in the *Spectator*, and wondered what it was all about.

I have now been amused to see what reeking of Nazism in every line can mean. For my part, I detected (a) devotion to German national interests, and (b) devotion to German industrialist interests.

It would be kind of you if you would send me further literature. I follow the urge of the German people for independent development with interest and sympathy, as a natural human manifestation. I am not, however, prepared to distribute for you in any way on such slender knowledge of your aims as I at present possess.

Yours faithfully,  
A.B.

From Germany

Berlin (British Sector).  
July 22nd, 1949.

... Very interested in the publication of the 'Contemporary Press' about the constitution of Bonn. I think, some of us here in Berlin and generally in Germany have just the same aspect of the political situation in Germany as you. You have found, however, the real tone in discussing the problems we met here. You seem to have a similar opinion as the author Rudolf Rocker, of which two volumes just are published here in a German translation. Maybe he belongs to your group, too. I am feeling obliged to send you my congratulations for having founded the CONTEMPORARY ISSUES, before I'll tell you of what has happened here. Please, excuse, I do it in German, because I am not so sure in finding pertinent expressions in English. Some one of yours, perhaps, will be able better to translate it than I with my only schoolboy knowledge.

It is surely no accident that precisely in Berlin during the last few weeks a political movement has been making itself more strongly heard which hitherto—broken up into sectarian discussion circles—has suffered from apathetic inactivity. Discussion circles of this character do not date their existence merely from 1945. They arose during the Weimar epoch, also a

time when the practical consequences of the Bolshevik October Revolution in Russia was revealing a character and assuming forms, ever more widely diverging from the original Marxism, which are current among us to-day under the conception of Stalinism. As is well-known, this was regarded and propagated as the only correct embodiment of Marxist ideology by the Moscow-adhering Communist Parties throughout the world.

Already in the first days of the Workers' Soviets contradictory opinions had arisen, the party political expression of which among us in Germany became Trotskyists, Lenin Leaguers, Communist Workers' Party, etc. Circles, adhering to the trend of thought of these parties, have existed to our day, licensed or unlicensed, and they have decided—with insignificant exceptions—to relinquish their sectarianism and to apply themselves to common political action. How was it possible to bring this about?

The end of the war resulted in the German Communists of the Eastern Zone and of Berlin coming into direct contact with the Bolshevik regime. Not only they but also the members of the S.P.D., who in 1945 still celebrated with full conviction their unification with the Communists in the so-called Socialist Unity Party (S.E.D.), and the innumerable German prisoners of war in the Soviet Union who, if they had at any time been Stalinists, received an impressive object lesson.

The upright among them, i.e., those who refused to recognise the German translation of the 'History of the C.P.S.U. (Bolshevik)' as their prayer-book, subsequently had the opportunity to revise their point of view. They did this to a large extent not only theoretically but also practically—they fled from the Eastern Zone at an opportune time.

The stream of refugees from the administration of the Eastern Zone and the functionary corps of the S.E.D. into Western Germany and particularly into Berlin increased shockingly or, if you will, gratifyingly. The state of affairs brought it about that not only the unified Social Democratic members but also formerly convinced Communists were represented among them (why a larger percentage of the former did not return to the S.P.D. is reserved for investigation on another occasion).

These individuals added the army of 'homeless' Socialists to the oppositionists of the West German C.P., sought to associate themselves with already existing Marxist circles and also founded new circles, standing widely apart from the given Parliamentary parties. The constant increase of these elements gradually resulted in the various discussion groups developing an aversion for the self-complacent discussion existence. Those who had fled were for the most part in economic need and urged action. They desired nothing less than the revival of Socialism in theory and practice and they characterized Bolshevism as unsocialist and un-Marxist (they hurled the same reproach at the S.P.D. too).

In this aspiration, the consciousness of common interest grew in the splinter groups and thus provided the basis for innumerable internal agreements which it was possible to conclude during the past few weeks. A multiplicity of separate applications for licensing had been made previously which, however, as in the case of the 'Free Communist Party' in Berlin, were refused or, as in the case of the Workers' Party (A.P.) in the American zone, were granted on a regional basis.

According to a cursory estimate, the members of the regionally licenced

parties and the supporters of the non-licensed discussion circles, which are in mutual contact for the purpose of finding a common basis, together numbered at the beginning of April about 25,000 to 30,000 persons in the three Western zones and Berlin. It would therefore seem premature to speak of a final common basis.

If those insignificant splinters which are again isolating themselves in a sectarian theoretical existence, are disregarded, it seems that, besides the overwhelmingly predominant group which has formed its crystallization point in Berlin, a second smaller group has formed itself, located in Frankfurt-am-Main and Bremen. If for reasons of simplification, two 'groups' are mentioned here, it would, however, be false to imply unqualified unity in each one. It is rather the case that all the individual sections are preserving their character. Their unity consists exclusively in the fact that they sit at a common discussion table and, when possible, argue all points of dispute in a publication organ. Nor is it to be supposed, on the other hand, that differences of opinion exist between the two 'groups', summarily developed here, about the desirability or not of mutual discussion. On the contrary, each grew up independently of the other according to its own laws, the one unaware of the existence of the other.

According to Press reports, the group, which I wish to name the Berlin group, will publish a daily newspaper on September 1st. Informed circles further announce that the fraternal group will also issue a paper at the beginning of September, probably a weekly paper, and that a meeting of both groups is planned in the near future. . . .

B.R.  
(Translation.)

Berlin (British Sector).  
August 19th, 1949.

Dear . . . ,

Many thanks for the package of handbills concerning the past elections in Germany. . . . I think the statement was well.

Some days afterwards, however, I got a parcel containing 'concrete examples which substantiate the original analysis' you made. But you did a fault. You wanted to drive out the devil with the satan. Or didn't you know this former officers' clique led by the psychopathic Franz Louen and this anti-democratic Mr. Joachim von Ostau? Please, do inform yourself better for the next time, before publishing such political waste-paper. I need not quarrel any more, because *Der Spiegel*, Hanover, has put it down some weeks ago (the said article enclosed herewith). Don't mind.

Yours very faithfully,  
B.R.

Berlin (American Sector).  
August 29th, 1949.

Dear Sirs,

I read both your publications which have reached me so far with great pleasure. As much as the first—despite quite definite critical reservations—gained my agreement, so little am I disposed to follow you on this occasion.

Perhaps you have already in the meantime received from other quarters



a critical evaluation of the activities of Messrs. von Ostau and Louen, and of the ominous 'Group of Independent Germans'. I have to tell you that I do not feel happy in the least in this company. In this war I was a soldier for only a few months and I not only understood how to avoid an active place at the front for eight months but also how to organize even a very active resistance work in the Wehrmacht which developed a definite result and that, because I was not merely an 'Anti-Nazi' in name but a fighter of the German Resistance in deed. In spite of this I had the bad luck to be ordered for a few weeks to a unit which belonged to the 'Führer Escort Division', the commander of which was precisely that doubtful Herr 'General' Remer. Our unit consisted 90% of politically pre-judged and pre-penalised people. The aim was to make a special unit of our crowd which by being recklessly placed would be automatically decimated. That this intention was not mere empty talk, this was guaranteed by that very Herr Remer.

He is the most outstanding example of those active warmongers and pro-Nazis, who, of course, only 'carried out orders', but precisely in that way were the surest and most reliable pillars of the Nazi regime.

You will understand that, as a former concentration camp inmate and fighter of the Resistance, I can never feel at home in a company or rather 'Group of Independent Germans', which includes persons as controversial as the three mentioned gentlemen. People who have compromised themselves so much in the past and present have forfeited any right to come forward as 'holy protectors of democracy'.

I am only too aware from my own experience that the Occupation Powers are anything but the promoters of a developing democracy in Germany. I know from first hand knowledge that agents provocateurs and active Nazis are being appointed by the Occupation Powers in order to carry on incessant work of political undermining. Officially it is being conducted against Bolshevism but anti-Bolshevism should never be used as a sign-board for anti-democratic practice. But this is apparently the case here.

Hitler also ruled with paragraph 48 of the Weimar Constitution and came forward as its 'spokesman'. And when such circles are to-day operating so dexterously and in the forms of law with the articles of the 'Bonn Constitution', it must immediately evoke the mistrust of the really democratic forces.

The political conditions are the most unfavourable one could imagine for the gathering of the democratic forces. An abstruse Occupation policy frankly encourages those nationalistic and totalitarian elements, who have once already plunged the world into terrible misfortune.

So deplorable is it, but the truly honest struggling forces to-day stand aside from all these extremely questionable camps.

I am extraordinarily anxious for your next publication.

A.W.

(Translation.)

British Zone.

July 15th, 1949.

... The contents of your leaflet have very much surprised and repelled me. I do not understand how such a document can be brought from England

into Germany, as it is only likely to cause confusion. Therefore, I shall not distribute this leaflet, and will, above all, take good care that it does not fall into the wrong hands, where it could create additional confusion in some people's heads. I may communicate some copies to a few reliable Parliamentarians of my party, the C.D.U. and the S.P.D., so that they can warn against the article.

I myself deeply regret that the election laws are not more designed for the election of personalities, but I also realise that, in the Parliamentary State, parties are indispensable. Party dictatorship is dangerous and paralysing for the Parliamentary representatives of a party. The occupation is not a pleasant thing for us Germans. But if it is reduced to a minimum and is only concerned with political security, it can be endured.

The dismantling of useful enterprises, suitable for peaceful production, is much worse.

We have lost the war, which an irresponsible government actually initiated arbitrarily, in contradistinction to 1914.

It would be madness to lose patience and strive, by senseless demands and irresponsible actions, for something which we can only regain by patience, work and trust. Even if our government soon to be elected will not yet be quite free, at least we shall have advanced quite a bit and we must be glad, when we recall the condition in which irresponsible rulers left the poor German people and fatherland in the summer of 1945. I am aware of the fact that we would never have come through if the victorious powers, especially America and England, had not helped us in many ways.

I hope that next year these governments will put the crowning touch to their generosity by holding out the hand of peace to Germany at last, for which we asked in unconditional surrender not only of the entire armed forces, but of the whole state organism and the whole people, in 1945.

J.S.

(Translation.)

British Zone.

July 13th, 1949.

... I am in receipt of your letter of July 10th, together with 20 copies—many thanks for your confidence. I have read the leaflet very carefully. For Germans of my type, living in almost numbed resignation, your struggle for the truth of a German Democracy is overwhelming, encouraging and uplifting! But as long as the present inter-party camaraderie of the big parties succeeds in veiling their activities I see no way out. Well, I go with you, for better or for worse. Mr. — was not mistaken about me.

You say on the last page, left-hand side, last paragraph: 'This is our task...' One thing is not clear to me: is there any radical—perhaps communist—tendency hidden in your plans? I ask this frankly and would ask you to give me a frank answer. I am *not* to be got for Communism. I am asking in order to clear my conscience—and it is possible that the people to whom I am sending the pamphlet will ask me the same question.

I shall distribute the 20 copies and send them off, as you suggest, and you can send me another 100 copies. ...

G.K.

(Translation.)

British Zone.  
July 21st, 1949.

... Your letter of July 10th reached me a few days ago. The printed matter arrived yesterday. Of the 250 copies, I have already passed on about half of them by means of individual letters. We consider the article 'Occupation Unaltered' as the most valuable aid which could be given to those expelled from the East, refugees and all those proletarianized as against the possessing (*beati possidentes!*). Unfortunately, the Military Government has placed itself entirely on the side of the *beati possidentes*. The big refugee movement under the leadership of Pastor GOEBEL has been refused the licence of the 'Tatgemeinschaft' (Action group). Comments are, I think, superfluous.

Now the friends in England must help us so that at least the ABC of a true Democracy will be guaranteed in Germany. For the mood towards England does not improve as a result of such measures; on the contrary, it deteriorates from day to day. Is English Democracy already so far in its death agony that it is no longer able to put into effect the simplest basic conditions of true Democracy? ...

Generally speaking, one can say already to-day that the August elections will in no way express the people's mood. ...

K.S.  
(Translation.)

Göttingen (British Zone).  
July 15th, 1949.

... Many thanks for the parcel, the contents of which (which hit the nail on the head!) I shall be very pleased to pass around. There remains nothing else for us on election day but to hand in a ballot form crossed out—just as we used to do in the time of the late dervish of Braunau; this language is still the best understood. ...

P.S.—Why do we no longer see *Dinge der Zeit*?

A.S.  
(Translation.)

British Zone.  
July 15th, 1949.

... The fact is that a State where there are over 40 parties cannot thrive. In such a case, people are not concerned with the welfare of the community, but the welfare of the job-hunters only. Everybody seeks his own advantage and to get on well himself, and remains indifferent as to whether this is at the expense of the community or not.

But whoever raises his voice against this, is shouted down and fought down. To change this state of affairs would be very difficult if not impossible.

I should like to know what tendency you represent or what party you support. I should be interested in that because I entirely approve your views and I always stand up for them here. I myself do not belong to any party, having left the S.P.D. two years ago because I realized that it also did not represent the workers' interests. It is, I think, difficult to decide for any one party, because it is simply impossible to exert any influence. ...

W.E.  
(Translation.)

## 7. DEVELOPMENTS IN THE CASE OF PASTOR KNEES

### Report

The behaviour of Pastor Knees, during his trial by British High Court, and subsequently, has proved his worth and integrity as one of the leaders of a democratic movement in Germany. In no word or action has he compromised his resistance to all Military Authority in the struggle for the restoration of the elementary human rights of his people forcibly withheld. As illustration we publish extracts from the Judge's notes, his opinion of the character and history of Knees and the latter's speech in court, together with a description of his refusal to accept the terms of his release written by his sister and friends who were present during the court proceedings. It is only necessary to add a few other details.

On April 8th he was sentenced to three years' jail for 'conduct hostile to British Military Government', with the sentence suspended on condition that he 'maintains good behaviour'(1). The stipulations for good behaviour amount to a complete vow of political silence and inaction requiring him to undertake that he would: —

'Neither promote nor assist in promoting nor take any part whatever in any public discussion of political topics or on questions which may tend to create ill will between classes or persons.

'Neither publish in the press or otherwise any article, opinion or other writing upon political topics or upon any question which may tend to create ill will among classes or persons.'

Obviously no man who feels himself to be a responsible member of society could possibly accept such terms. Nor did Knees only refuse them in court but he has uninterruptedly put his refusal of the undemocratic gag into action. So far he has issued a circular letter on political matters, distributed a large quantity of our election leaflets, and a statement of his own on the elections in which he quite rightly called for a boycott.

The extracts we publish from the Judge's personal notes, from which the above quotation is also taken, are from a photostatic copy sent us by the Foreign Office. What we had asked for, in order that we could be in a position to furnish our readers with an informed and accurate report on this scandalous case, was a full copy of the court proceedings. At the time of going to press we have received no further information from the Foreign Office. It is also interesting that the 'notes' themselves are not complete, but begin from page 13.

#### EXTRACT FROM JUDGE'S SUMMING-UP

... I have given careful consideration to what you have said yourself and to what has been so ably said by Dr. Thiemann on your behalf; and I have read a report of your history, your character, and your mental state made by Dr. Happe and based on his observations while you were awaiting trial.

As a result of that and of what I have observed myself in the course of this trial, I believe you to be a sincere and intelligent man, even if you have been a very unwise one. I think you have the capacity, if you will only use

it wisely, to do a great deal of good. I appreciate that your motives for trying to improve the lot of the unfortunate refugees from the East were strong and were, no doubt, worthy motives. . . .

ADALBERT KNEES (accused) makes an unsworn\* statement from the dock:—

We are faced with very great problems, which touch not only on politics but which go deeper into the very existence of people. It is impossible to discuss these problems in detail in a very short space of time. I see the difficulty is not that I have to defend myself in a Court and to fight for my liberty. But the danger is that I might, because of danger to me, keep silent about problems which ought to be discussed. One thing I should like to re-emphasize is that when I refused to show confidence in this Court as an Allied Court—anything I may say is not against persons or people but against methods. What I have to say I shall try to say with respect to the authorities. I mean here the authority of the Bible. It is by this book that everything can be explained and justified. Therefore I should not need to say anything further. But as I know that misunderstandings often arise, I shall now deal with the points in detail.

The first charge reads: 'Conduct hostile to the Allied Forces'—but I merely objected to certain methods of the Allied Forces. Here I referred to English voices—those of English people who behaved more morally than some Germans. The wording is distorted—what I said is that certain voices had been raised in the British and American press that treatment of the German Generals was not justified. And I am going to ask that as opposed to this mode of thinking, shame was brought on certain people in Bielefeld.

As to point 3 of the First Charge. I merely intended to place on a moral footing the relationship between the German people and the occupying powers. Re the word 'Landesverrat':—I mean that as long as certain methods continue unabated any personal friendship with members of the Occupation Forces is impossible. Friendships with foreigners should only serve the purpose of clarifying the relationship between us. I meant by 'Umgang' personal friendship—for personal reasons or personal advantage.

If I may say so, could you imagine any Englishman, if the Germans had won the war and were leading England into slavery—would any Englishman have made friends with Germans?

Re point 4, I have expressed myself as against violence.

Re Second Charge. It is understood that I must stand by everything I said at the Oetker Hall. It is true that my speech tended to draw attention to the orders of Military Government, in order to examine the question of whether they can be carried out. I did not call for the disobedience of all Military Government orders but of certain orders. I take the view that one must not obey orders against one's conscience.

I think we Germans have seen that it is not the law that draws the line, but it is the men who make and use and give significance to the law who draw the line which we must decide to keep to or overstep according to our conscience.

As soon as anyone falls into distress the law of charity takes over auto-

\* Not acknowledging the authority of the Occupation Power, he refused to take the oath in court.—ED.

matically. We are bound to this law by the Bible, and if we don't recognize it we must either give up the Bible or otherwise subscribe to cruelty or ruthlessness.

In closing I would point out that as a member of a suffering people and as a German, I feel as I have never felt before.

Throughout my life I have always stood up for the law of charity, truth and justice. It is only natural that I do so even more now when it is a question affecting my own people.

It is by divine order that I was born a member of these people and that I was obliged to serve them. This duty of serving my people obliges me to point out to the Occupying Powers the danger at all times—the dangers which may arise for my people, the Occupying Powers themselves, and indeed the whole world.

I refer to the danger which arises from exceeding the bounds of one's conscience. I cannot imagine that the Occupying Powers of their own accord are always careful to remain within these bounds. I think it must be very difficult for them to see the point of view of a vanquished people. Therefore, if I used some rather sharp language in my speech at Bielefeld I did so not only as a German but as a European, in order to arouse the conscience of people. It just occurred to me that I found myself obliged to present certain facts to my people and to the Occupying Powers.

What I desire is to point out the great responsibility which I bear as a German, and which the Court bears as a Court of Justice. I want the charge to be viewed from the angle as to whether I can be expected to look on while an uncharitable course is being pursued with an appearance of charity.

\*     \*     \*

## Will ex-Pastor Knees Become Silent?

On April 8th, ex-Pastor Knees was sentenced by the highest military court of the British Zone to *three years' imprisonment without making allowances for the time spent in detention pending investigation*, on a charge of 'hostile utterances against the Allied military forces' and of 'incitement to disobedience of the orders of the occupying power'. The penalty could, however, be postponed on condition that Knees in future refrain from any public expression of opinion and submit to a total ban on speeches—excluding the activity of preaching. On this condition he would be set free. Now Knees has been actually freed! This might easily lead one to suspect that he accepted these conditions and this 'muzzled freedom' just in order to 'get out'. The contrary is true!

For while still in the courtroom, ex-Pastor Knees left no doubt that he was not likely to buy his freedom by making concessions. After the proceedings, when the conditions were read out to him again and laid before him for signature, he characterized them as unacceptable and refused unequivocally to sign. He stated that he did not know the circumstances outside, but the bare fact that such conditions were proposed to him led him to suppose that they had not improved much, and that, now as before, there was every reason for suppressing any sharp criticism in Germany. A release under the indicated conditions would be equivalent to a regimentation of conscience. He would not sign anything with which he could not comply.



He preferred, therefore, to begin the three years' imprisonment without delay.

Most surprisingly Knees was then nevertheless released. On his request to be sent back to prison again, he was told that that would not be possible at the moment. With the words, 'YES, IF YOU REALLY DO NOT WISH TO KEEP ME, THEN I WILL GO; NATURALLY I DON'T WANT TO FORCE MYSELF ON YOU', Knees left the court building.

Obviously the sentence still stands. Knees can be arrested at any time and put in prison for three years for the slightest attempt at a public expression of opinion. But this danger will not influence him in his future activity. This he unequivocally expressed on his release.

Knees gained his freedom without any concessions. He will utilize it too without any concessions—as complete freedom!

He will not be silent but will speak. He will speak wherever it advances the cause and wherever opportunity offers.

Ex-Pastor Knees had to go into hospital because of general debility. After recuperating it will be his first task to correct the Press notices, to give the public a truthful picture of his trial and his intentions.

As participants in the trial we were best able to judge the irresponsibility of the present-day Press. As though an unscrupulous party propaganda had not once before deceived a whole people and plunged it into misery. The 'Knees Case' is only one example of many.

We therefore ask all friends and responsible Germans to make ever new attempts to compel the Press and its reporters to honesty, not only in this case, but fundamentally! It is one of the most urgent tasks in a German self-purification!

Werther über Bielefeld 2. April 10th, 1949.

On behalf of a circle of friends,

ELISABETH KNEES. ACHIM ROSSLER.

Please send letters and contributions to Frä. Elisabeth Knees, Werther über Bielefeld 2.

(Translated from the German.)

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### Stalin and Old Lace

Berlin, Monday.—The Soviet Zone Economic Commission have decided to protect people from 'dear, bad and tasteless garments made of lace' by banning their manufacture.

*Evening Standard*, February 28th, 1949.

Harry Marlowe

## TUCKER INDICTED

1.

ON June 10th, about two weeks after the appearance here of the third issue of this magazine with an article on the Tucker auto, Preston Tucker and associates were indicted by a Federal Grand Jury in Chicago on 25 counts of 'mail fraud', five counts of 'securities laws offences', and one count of 'conspiracy'. The gist of the charges was that the organization and operation of the company amounted simply to a promotion fraud. In the *Collier's Magazine* dated June 25th appeared an article by Lester Velie, a slick and vicious publicizing of the whole miscellany of allegations made against Tucker in the hearings preceding the indictment. From the *New York Times*:—

Chicago, July 1st (A.P.).—Mr. Tucker sought permission to-day to study a S.E.C. report on activities of his automobile company... attorneys asked Federal Judge Walter A. Labuy for permission to study the S.E.C. report, alleging that Mr. Tucker's reputation had been 'irreparably damaged' by an article in the *Detroit News* and a *Collier's Magazine* story which they said were based on the report. The attorneys said the report could not be classed as confidential in view of the articles.

Otto Kerner, U.S. Attorney, opposed the motion, asserting that under Federal procedure confidential reports of government bodies were not subject to the inspection of defendants in criminal cases. Asked by counsel for Mr. Tucker, Mr. Kerner said he has made no investigation to learn how writers gained access to the report...

Suppose Kerner does 'find out' later, and 'deplore' the leak, which would satisfy formal requirements? The damaging material has already got publicity in any case, and the estimable Kerner has fulfilled his part in what appears as a planned co-ordination. Simultaneous indictment and smear evidently constitute the calculated closing-for-the-kill by the interests involved upon the Tucker company.

These events almost coincided with our attempts through correspondence to call the attention of those most concerned to what was being perpetrated here. This made us sorry we could not begin earlier, when the load of misinformation generally current had not been piled up quite so high. One answer to a letter will illustrate. A letter had been written to Mr. R. E. Olds, formerly manufacturer of the Oldsmobile, who had expressed himself in the papers a little before to the effect that America needed a cheaper car, with fewer superfluities. He replies:—

R. E. Olds,  
Lansing, Michigan.

Dear Mr. M—,

Your favour at hand. I personally know Mr. Tucker and have no use for his way of putting it over on the public.

June 20th.

I have read the *Collier's* article this week and have no doubt but what it is true. I was surprised to learn that he gathered in millions for the sale of his car. I always aimed to pick out the right people for agents and never charged them a cent for the privilege of selling the car.

Yours truly,

R. E. OLDS.

Another letter was sent to Mr. Grover Loening, a consultant to the National Advisory Committee for Aeronautics, who on May 25th had read a paper to the Institute of Aeronautical Sciences on the fate of the manufacture of 'light' or 'personal' planes (the aircraft industry's potential competitor with the auto) since the war.<sup>1</sup> The substance of it was this: these planes have not been improved in design for 15 years except in minor details and in the adding of about 40 m.p.h. in speed. This in spite of the fact that improvements are known and fully tested which, if incorporated in a light plane (actually incorporated, indeed, in the experimental Koppen-Bollinger), would enable it to travel 200 m.p.h., handle easily, and land and take off in a space 200 ft. long with a 50 ft. barrier at one end—in suburban driveways, lots, or on city roofs, in other words. The failure to incorporate improvements has meant the virtual collapse of the small-plane industry: 33,000 produced in 1946, 6,900 in 1948, and only an estimated 3,000 in 1949. The extent of the parallel between this and the situation in auto is striking: consequently the letter to Mr. Loening, asking him to make common cause in order to achieve a cure. He replies as follows:—

Grover Loening,  
Washington, D.C.

June 30th.

Dear Mr. M—,

Answering your letter of June 16th, I have read with interest the Tucker articles, and am unable to reconcile the failure of this venture with the more or less success of the Kaiser-Frazer (in entering) into the highly competitive field of motor-car manufacturing. This did not show any successful stifling of free-competition, although obviously to enter such a skilful and elaborate organization field is a very difficult matter.

Yours very truly,

GROVER LOENING.

This means: the fact that Kaiser-Frazer broke into auto indicates that conditions of 'free-competition' prevail in the industry generally, accessible to all alike, and therefore we must attribute Tucker's failure not to an absence of such conditions but rather to a lack of technical competence.

Just as a beginning: this equating of the two companies does not jibe with the facts. Evidently Mr. Loening's eye passed too quickly over the original Tucker article in this magazine. S.E.C. occupied several months in clearing Tucker's stock, as against only a few weeks for Kaiser-Frazer's, not to speak of its subsequent perpetual 'investigation'. W.A.A. gave the Cleveland iron-foundry to Kaiser-Frazer at a figure lower than Tucker's bid for the same foundry, with the justification, in the W.A.A. administrator's deathless phrase, that it was in the national interest that the foundry should

<sup>1</sup> *New York Times*, May 26th.

go to a corporation *presently engaged in the making of steel*.<sup>2</sup> The difference in treatment directly corresponds to the degree of threat to established companies: the Kaiser autos are for the most part conventional in design.

But it is not only in respect of such salient particulars that Mr. Loening's interpretation is vulnerable. He declares that Kaiser-Frazer's entrance into auto demonstrates the absence of restraints there; and evidently free-competition, as he understands it, reigns untrammelled in his own light-plane field as well. Yet he explicitly points out in his paper that, although a technically suitable prototype exists, the light-plane makers have been unable to adapt it for manufacture—this in the face of the virtual extinction of their business. Even a little more than that: he does not place serious hope in their *future* efforts either. He looks instead for the most substantial advances, as the by-products of developments in military aviation. Now if *this* is unhindered free-competition and free-enterprise, surely it is a weak, contemptible thing!

Premise and conclusion make a striking contrast. General untrammelled free-enterprise is an official myth which will be credited by an uninformed public, unable to get beyond what it is told. But Mr. Loening does not seem to penetrate it either, though he has more information. He is a 'technical expert' who draws out quite clearly and frankly the line of the tendency running through his material. The line's extension into the future disappears off the bottom of the graph. He does not look beyond the limits of his speciality, and is content to work with the data provided. The existing facts of the *economic* organization of industry are considered as inevitable as the laws of nature ('part of the game'), and this—the purely technical side—is loaded with the responsibility for all betterment. If it is unable to make headway against impossible limitations in organization, so much the worse for everyone: pessimism, offered with a fatalistic shrug, is what the logic calls for.

But truly, the more one examines a situation such as he portrays, the more singular and preposterous it appears. Salvation is within our reach, but our feet are glued to the ground, invisible hands grasp our clothes and hold us back. We have the finished prototype of an airplane with superior characteristics; yet it is not in production, though the industry is dying—and it is regarded as unlikely that the manufacturers *ever* will bring it into production of their own efforts. Is this remarkable paralysis actually due to such things as the difficulties presented by a 'skilful and elaborate organization field'? This is the view for which Mr. Loening assumes responsibility, and the responsibility will prove a heavy one. Such an interpretation is glaring nonsense—in auto and in aircraft alike. Is it not appallingly patent that the barrier is not technical, but lies in the monopolistic organization of industry? Of course it would be difficult to build an improved light-plane, within the appropriate price, in small plants and by hand methods. The

<sup>2</sup> A. A. Berle, reporting recently before a Congressional committee investigating monopoly, cited as an example of the tendency of Federal and particularly armed services authorities to favour monopoly, the case of North American Philips, which when it obeyed orders under an anti-trust ruling to separate from and compete with its allied firm, ran up against an armed services ruling for awarding contracts to companies having 'the longest record' for favourable dealings. The attitude of W.A.A. in the cited case is a conspicuous instance of the same order.

manufacturer seeking to remedy this must get a large plant, money, and sources of materials. He is free to try, anyway, in the industrial and financial world of General Motors and U.S. Steel. Will he not occupy exactly the position of Tucker, then, and will not the precedent now to be set in the Tucker case be decisive for him? And in asking that we hand Mr. Loening back the original question directed to him: *is it not necessary to make common cause?*

## 2.

This characteristic failure to perceive connections and the simple, pressing common problem, is the mirror in which misinformation is reflected. It is necessary to turn from the mirror to the source of 'light'. Lester Velie is of quite another breed. He is not a specialist. Or rather, he is a specialist, but in a profession which in the nature of things he will not care to admit and advertise. He is a writer for *Collier's Magazine*, which carries an exceptionally high proportion of full-page auto advertisements for the established companies and is manifestly sensitive to the view of its advertisers, as was cited in the article in No. 3 of this magazine. He adopts a very high moral tone with regard to the operations of the Tucker company. The conclusion on the whole case is drawn with reptilian unctious:

"The debacle has stirred demands for more stringent Federal protection for investors. Why was Tucker permitted to trade airy promises for little people's hard-earned savings? If S.E.C. is a "securities policeman", why doesn't it do its policing *before* people get hurt."

How does that style strike you? We do not tire of it, it fascinates us, and we intend to quote some more. The bulk of the article is derived from the report of the S.E.C. hearing, which Tucker himself has not been allowed to see. It is a lubricious hash purveying all the charges, all the unfavourable testimony at the hearing, and especially all the personal smears directed at Tucker—though Velie enriches this part on his own hook—mixed and joined together as artistically as the art allows. Yet in the end, among all its fine points, Mr. Velie's towering moral sternness is what leaves us most in awe:

"Tucker, in the flesh, is as revealing as the S.E.C.'s disclosures about him. . . . Unshaved, wearing a leather hunting-jacket and pouring his troubles out in barnyard Anglo-Saxon, Tucker looked somewhat less than the suave and forceful promoter as he gunned his pearl-grey Tucker along Lake Michigan's shore. . . .

"I've got the number one demand car in America. . . . Why I can *exhilarate* so unprintably fast," Tucker said, "nobody can catch me. That's why Detroit's afraid of me, and the invisible forces of government are out to stop me. I'm the most investigated S.O.B. in the whole unprintable world."

Hardly more than that is required for the case against Tucker! He stands condemned for licentious profanity before the jury of his peers, the established auto manufacturers (incidentally, also before middle-aged ladies resident in small towns who read *Collier's*). These men are soft-spoken gentlemen, almost all of them, who avoid harshness of speech and will go any length to avoid bruising the feelings of a colleague or subordinate with abrupt and ill-considered language. That is well known. Tucker could hardly hope to gain admission to *their* selected circle. But there is a more pressing

risk for Tucker, which Velie should have more carefully considered just out of fair-play. It is that in the necessary and sizable job of meting out precise, descriptive justice to Velie himself and his 'article', Tucker should suffer a strain or rupture in his Anglo-Saxon vocabulary, and get serious injury. This is a real danger, and all precautions should be taken.

In the whole piece, the only things worth considering are summed up in these sentences:

'By August, 1948, Tucker had promoted more than \$26,000,000. By May of this year there remained . . . \$69,035.

'What had Tucker accomplished with the money? The trustees reported that he didn't even have the necessary assembly lines and necessary tools, dies and other similar accessories to manufacture a car! For the vanished millions, Tucker could chiefly show 49 experimental hand-made cars.

'Described by S.E.C. as of "questionable quality", the Tucker car, according to Tucker's own engineers, would need months of additional engineering and \$50,000,000 before it could be put into production.'

Also in the concluding section, an expansion of the last point:

'Actually, the car had few of the revolutionary features that had been advertised and was made up mostly of conventional parts. Reputable engineers who had worked on it pointed out further that the frame was too heavy and had to be re-engineered. Work was needed on the suspensions, the radiator, and the brakes. The engine was so costly it would have to be re-designed or replaced to bring the car into the medium price class.'

It is characteristic that these charges lean heavily on the 'inside' testimony of people unfriendly to Tucker. But there is no need to enter this ground of conflicting testimony at all. We can make a gift of all the problematical charges to their proponents, grant them merely for the sake of clarity in argument: this will not basically alter the case. They are not the main point; on the contrary the decisive facts are known and beyond question. It is Velie's sort of expertizing rather to omit these facts and make long lists of unfavourable particulars beyond the reach of general verification, the particulars being represented as the main, central, and pertinent information, and the reader artfully spurred to 'add them up' to the desired negative conclusion.

What had Tucker accomplished with the money? When Velie implies that \$26,000,000 is excessive expenditure in terms of the results and that its exhaustion must be laid to graft, he hopes to impress a certain part of his audience, the part which has no intimate knowledge of the expenses of auto manufacturing. Those who *do* know will not be impressed, but then the 'article' is full of things and maybe he can bag them with something else. Now in fact, for a large auto plant merely to re-tool from one year's model to the next—at a time when yearly changes are insignificant—costs in any case hardly less than \$40,000,000, according to public statements (*New York Times*, January 23rd, 1949). Velie asserts that it is abnormal that Tucker with \$26,000,000 could not fully provide tools and dies from scratch, and in addition maintain the lease on his plant, pay all wages and salaries, expend in order to line up suppliers of materials, pay promotion and advertising expenses, and finance all the development and testing work. Item: to say that there is nothing to show for the 'vanished millions' but 49 cars is



to pronounce gravely that one day's production will not pay for six months' preparation. This is true. Item: many pages are filled with Tucker's alleged bribes, of thousands spent in overpaying contractors, and further money spent for his own ends. In such a way any amount of money, itemized into hundredth parts, can be made to seem huge. Never mind this sort of 'details', what was the sum, the proof, the accomplishment? A car conspicuously better than any in America was produced, the plant was obtained and held and other expenses met at a cost two-thirds that required to re-tool the plant of an established firm. We could accept the problematical figure quoted in the S.E.C. testimony, \$50,000,000, or indeed a recent engineering estimate supplied the trustees, \$71,000,000 as the cost of supplying what further is needed to reach a full-production level. Still the indicated action would be to open the way for production, not attack the producer for 'fraud'. Is the character of Velie's version now plain? Nothing more than the simple comparison of figures is needed to make it so.

The further we proceed the more we admire Velie's art. Hypocrisy steps forth with the complete, oblivious ease and naturalness which only long training and exceptional natural talent can compass, in such things as the charges concerning bribes to W.A.A. Tucker is charged with bribing W.A.A. officials and paying 'five-percenters' in Washington to obtain his main asset, the Chicago plant. *Tucker had high bid for the plant.* But he could not possess it, it seems, by ordinary business right. He required to exert further influence. A howl of 'bribery and corruption' from the implacable Velie! Yet it would occur to less artful people to inquire primarily into the state of corruption in which it is accepted and normal that such assets should go to those with special influence, and not to those merely having business right. But art is long. The same logic for the rest. For example, Velie's loud ethical sniff over the fact that \$7,000,000 went to officers and promoters. The norm which in reality requires investigation is financial hostility and partisan silence in the press which makes promotion the only possible means of reaching the public, no matter what the intrinsic worth of the product.

Examine the quotation above, beginning 'Actually the car had few of the revolutionary features that had been advertised, etc.' What is 'few'? It has the rear engine, the single most important revolutionary feature (in American autos); the safety features, the next most important; and independent suspension on all four wheels, the third most important. Other features of slightly less weight, such as fuel-injection and disc-brakes have been left out temporarily. Does not the sentence quoted now stand revealed in its own light? Such careful silence about the basic assets, the rear-engine feature and the great Chicago plant! These receive grudging mention only in connection with the difficulties which concern them. During April of this year, the German Industry Show in New York displayed the new rear-engine 'Volkswagen'. Its appearance together with the rear-engine French Renault justifies saying that the major mass-production European cars have adopted rear-engines and that this principle of design displays conclusive proof of its value in absolutely pushing out the old one. One feature of this obviously well-designed small German car is its airplane type opposed-cylinder engine, which is very similar to that of the Tucker. Velie quotes engineering opinion to the effect that the Tucker engine is so costly it would have to be re-designed to keep the car within the medium-price range. Be

that as it may, here is a car with closely similar engine in the lowest price range.

Once more: 'The Tucker car... would require months of additional engineering and \$50,000,000 before it could be put into production.' It is taken as meaningless that cars have actually been produced, because they were largely hand-made. Those unacquainted with the auto industry remain uninformed by Mr. Velie that the same thing is true of all new cars without exception, and that only after weeks and months of operation are all steps put on mass production. Faults of design of the order mentioned in this connection, even if they are all as stated, are likewise no more than accrue to the first models of any new car. New models with even small changes always require this sort of re-working. Particularly in this case are all such problems transient and of a merely relative weight when we properly estimate the immense mass-production potentialities of the huge Chicago plant, which is modern, versatile, and the largest in the world.

Finally, before we take regretful leave of this journalistic blow-fly, a further piece of his expert analysis. He quotes McCall White, an engineer who testified against Tucker, claiming that at the beginning of his operations he had 'a bundle of untested, unproved, and highly questionable engineering ideas in an early and experimental state of development.' It is just as well that Velie *now* does not say this directly himself, but merely quotes it with apparent acquiescence. He avoids the requirement of consistency in his jumble in this way, and also one—distortion, say—on his own shoulders. That he needs. There is a large contradiction between this very dark appraisal and the final engineering estimate on the car now produced, which quite moderately claims it needs 'work' on the frame, suspension, etc. If the early estimate were true and the last one also, it would surely have to be declared that Tucker's achievement was prodigious. The original features of the Tucker design, in safety, etc., are a respectable accomplishment. But in truth, for a major part of the innovations, originality cannot be claimed.

Here we get at the meat of the matter. The case is in reality almost identical with that of small airplanes described by Mr. Loening. There the fact that a superior prototype exists is admitted. But in auto, where it is not admitted, almost the same is true. European cars have definitively moved to the superior rear-engines. Independent suspension on all four wheels has been decisively proved in the Mercedes. Fuel injection and disc brakes have been proved in aircraft and need only to be adapted. Safety features and removable engine have long been known in racing cars. The collection of improvements withheld from existing makes, in other words, has been accumulating to the point where it cries out for utilization. We could admit all the charges against the Tucker design cheerfully. That would not basically alter the case, because the remedy is only *relatively* difficult.

On the other side, potential sympathy for anything actually new has also accumulated along with stagnation in design, and requires only to be reached in order to be tapped.<sup>3</sup> Once again, the obvious—which is ignored so sedulously and with such careful art: the difficulty lies neither with public

<sup>3</sup> The writer ran into a young man in Ann Arbor, Michigan, who was driving a Volkswagen. He had evidently been so pestered and bedeviled with inquiries about this small rear-engine car that he pasted up on the rear window a complete technical summary of its characteristics: horsepower, performance, etc.

response nor on the technical side, but in the monopolistic organization of industry. Now, the really critical barrier Tucker had overcome in obtaining his plant. It is *the largest in the country*. It is the real object of contention and strife beneath the lies on the surface of things. Tucker has been barred from entering it since the last S.E.C. investigation and the pending re-organization. Forget 'expert testimony', faults of design or organization. Production men know perfectly well that with that kind of plant in one's hands plus money and materials, everything is possible.

But money and materials had to be obtained. Under the circumstances of general hostility, Tucker's financing had to proceed by the self-expanding or 'shoe-string' method, in which money obtained at each stage in the process is used in such a way (by publicizing new assets and thus bolstering the credit, etc.) as to obtain money for the next stage. Naturally, the pharisaical virtuous-indignation has waxed very hot over his small capital base and the acute need implied by the procedure for as colourful and self-laudatory promotion as possible. But in the primer of 'free-enterprise' we find that this method of starting a business is supposed to be admirable, when it succeeds. What element of justification does it have? If there is a genuine and huge market ready to hand which the enterpriser has access to, and if he genuinely has the means to produce for it, but no money, the procedure is justified by its results for the consuming public. Now please—this is exactly the situation here. We care nothing about Tucker and his associates personally and have no connection with them. Our concern derives solely from the fact that this company happens to occupy a critical position in the development of American industry, created by the conditions themselves. It is not at all abnormal that this enterprise should show the traits of industrial development in its early forms: the prominence of the aspect of financial promotion and the small capital base which attended the period of swift self-expansion of industry generally at an earlier time. For advanced industrial development, through its restraining and destructive organs of monopoly, creates great rifts and gaps in its own structure, at the same time as, through its advancement, it renders available highly potent technical means. This combination of circumstances opens the possibility at a certain point, that formations can arise and flourish in these gaps which mirror the traits of an earlier period of industrial evolution. The logic of the circumstances definitively renders irrelevant all the charges against Tucker's personal integrity, etc.: for the man would have been a fool, once he had the assets which fell into his hands, to regard the affair as a mere promotion and not to attempt to go ahead to the production of cars.

### 3.

But how do matters stand now? What can be done? Perhaps with the deep mire of suits and charges, culminating in the Grand Jury indictment, the affair is hopeless anyway?

It is surely not hopeless on the side of production. If the legal tangle were removed and only a relatively small capital were available, cars could be turned out. Operations were stopped by the S.E.C. 'investigation' just as the first cars were beginning to appear. And there is a reason for that. At this point the 'self-expanding' process of obtaining support and credit makes a very favourable turn. No matter if they were largely hand-built at first, cars

appearing in token numbers throughout the country, and the news that production was resumed, would be the best possible advertisement and support of credit. It would counterbalance two dozen Velie articles.

The whole affair has reached a point where the issue is put very simply. The primary obstacle is now the legal one, the Grand Jury indictment, a juridical frame-up if there ever was one. Now the key to the whole matter is, as before, public awareness and action. There is still a certain amount of time in which this can be crystallized: Tucker's trial to answer the charges comes on October 3rd. The means suggested in the article in No. 3 of this magazine: letters to government representatives, to papers, and publicity for the truth of the case wherever it can be obtained, still have the chance of initiating the process and creating active public support out of the passive support which already exists. What is now to be said? To sum up:

(1) The Tucker car is unquestionably superior in basic features. If there was any doubt before, the appearance of the very similar German 'Volkswagen' points this up with a new, convincing definiteness.

(2) Its production is immediately feasible, and full mass-production is possible within a short time, so long as the Chicago plant is available.

(3) Conclusion: the Grand Jury indictment, which is based on the premise that Tucker got money from the public which he could not make good with the resources available to him, is in error. *It is a frame-up, and must be quashed.* It is itself the primary obstacle to production. The only way in which existing investment can be saved and justice done to the defendants is to clear away legal obstacles and allow production to continue. That is the most favourable pre-condition for the securing of the necessary further financial support.

## THE OLD-AGE PROBLEM AMONG CAPTAINS OF INDUSTRY

The following two letters were received by a maverick stockholder. The first letter, on the stationery of the Chairman of the Board of one of the Big Four of American meat packing, was provoked by a comment. Our stockholder friend received, as is customary, a proxy card, which the stockholder is asked to sign and return. The signed card in effect waives the stockholder's right to vote by assigning the power of proxy to the management of the corporation. Our friend read the annual report to the stockholders and signed the card, but he wrote on it: 'Sales highest on record; profits lowest on record; why not change the management?'

ARMOUR and COMPANY  
Chicago 9, Illinois

George A. Eastwood,  
Chairman of the Board.

January 17th, 1949.

Dear Mr. —,

Human nature being what it is, perhaps it is not surprising that in some cases disappointment over the 1948 results should turn to bitterness and inspire comment such as yours.

In the decade I have headed the Management, the Company has earned some

140 million dollars and paid out 55 million dollars to shareholders. The remainder was helpful in improving the financial status of the Company so that legal bars to the payment of dividends on the common stock were removed and the first disbursements in a decade were made in 1948. Our inability to continue them has apparently blinded your eyes to the accomplishments of the previous nine years.<sup>1</sup>

It is regrettable, from my standpoint at least, that my compensation was voted by the Board in two parts—one as salary and one as additional compensation.<sup>2</sup> The second part was never intended as a bonus but the proxy form prescribed by the S.E.C. offered no other heading under which it could be shown. This applies to the others named in the proxy solicitation as having received 'bonuses' just as it does to me.

My salary was not a factor of consequence in the 1948 results. As a matter of fact, the purchasing power of my net income was approximately equivalent to that of my net income back in the days when I was a Vice-President in charge of a single division. In taking over the responsibilities and burdens of the Chief Executive the principal recompense was not added salary, but rather the satisfaction that grew out of helping to improve the Company's status. Now, after 52 years of continuous service and with my 70th birthday anniversary approaching, I have decided to retire from the post of Chief Executive Officer on February 18th.

The Company's problems which date back to the depression following the first world war are not yet completely solved, and the new Management will need and deserve the aid and co-operation of the shareholders. Support such as is indicated by a signed proxy will be inspiring. I hope you will decide to co-operate.

Yours very truly,

(Signed) G. A. EASTWOOD.

The second letter, on the stationery of the President of the fourth largest steel corporation in America, shows that our friend again drew blood—thin blood, for apparently there is a serious senility problem in the upper income brackets.

JONES & LAUGHLIN STEEL CORPORATION

Jones & Laughlin Bldg.

3rd Ave. and Ross St.

Pittsburgh 30, Pa.

Ben Moreell,  
President.

April 19th, 1949.

Dear Mr. —,

We have received your Proxy for our annual shareholders' meeting on April 26th, 1949, in which you have voted in favour of all the proposals except the amendments to our Contributory Pension Plan, against which you have cast a negative vote. On the back of your Proxy you have said that it seems to you 'that the executives drawing \$40,000 a year and up should be able to provide for their old age without a handout from stockholders'.

If you are acquainted with the provisions of pension plans of other large corporations, you will undoubtedly realize that the pensions which would be payable to our executive officers under the proposed amendments to our Contributory Pension Plan are on the modest side and not overly liberal or extravagant when compared

<sup>1</sup> The logic here deserves re-reading: by improving the financial status of the Company 'legal bars' were removed, i.e., the legal bars are restrictions on payments to stockholders when the company's earnings are insufficient. So, by improving the financial status, the financial status was improved. After the first such improvement 'in a decade', the management apparently collapsed from the effort. The stockholder is scolded for blindness—to the batting average of one 'disbursement' in 10 years.

<sup>2</sup> Neither the bonus nor the salary were mentioned in the stockholder's comment. Could this be a guilty conscience speaking?

with the maximum pensions obtainable under such other plans.<sup>1</sup> We consider our pension plans a valuable incentive to our salaried employees, and we think it is in the best interests of the shareholders for this incentive to be available to our executive officers on the same basis on which it is available to all our other salaried employees.

Present high tax rates make it far more difficult for executives earning large salaries to save for their old age than was formerly the case.<sup>2</sup>

The Management of this Corporation earnestly desires to have the full confidence and support of the shareholders. I trust that the foregoing explanation will serve to indicate that such confidence is merited.

Sincerely yours,  
(Signed) BEN MOREELL.

<sup>1</sup> Could this be called jealousy among thieves?

<sup>2</sup> Mr. Moreell's salary is in the neighbourhood of \$120,000 a year. One would think that such a high-priced financial manager would be able to manage his finances and his wife so as to put by enough for friendless days to come. Perhaps this could not be expected of the men who work under Mr. Moreell but are not paid for using their brains, but it seems too bad that a man whose thinking is worth so much and produces the advice that pensioning executives to stud is 'in the best interests of the shareholders' is stumped by the same problem that non-brain workers in the steel industry are stumped by. It is customary to ask people who are just too smart, 'If you're so smart, why ain't you rich?' Here we must ask the question in reverse, 'If you're so rich, why ain't you smart?'

### Just a Worker

David Ben-Gurion, the Prime Minister of Israel, was scheduled to meet with a Danish diplomat and then to address the Histadruth, the labour organisation he once headed. In preparation for his diplomatic meeting, he wore morning-coat and striped trousers. But this session took longer than expected and he had no time to change before addressing the labour group. . . . Ben-Gurion heard laughter when, still wearing formal attire, he mounted the platform. 'First let me apologise,' the Prime Minister began, 'for coming here in my working clothes.'

*New York Post*, April 1st, 1949 (Leonard Lyon's column).



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